



# What Sales Strategy?

By Oz Fretz

*Answer four simple questions for your company and yourself and you'll be well on your way to meeting your sales goals.*

Salespeople should understand their company's sales strategy, right? What if I told you that after 30 years of consulting in companies of all types and sizes, I know firsthand that most don't. In fact, very few employees understand their company's sales strategy, regardless of the job they hold.

Every customer-facing businessperson should be completely familiar with their company's sales strategy, and every sales and marketing person should have one of their own. Here is how you can build one.

Let's start by answering a couple of questions:

## **On a scale of 1 to 10, how good is your company?**

That's a tough question to answer, given the many facets of a company's performance and the inherent subjectivity of the modifier "good." But here is something you can be sure of: The most successful companies have one

thing in common. They all sell well. Large or small, products or services, retail or manufacturing, regional or global—all top U.S. companies are experts at closing business.

## **How good is your personal sales strategy?**

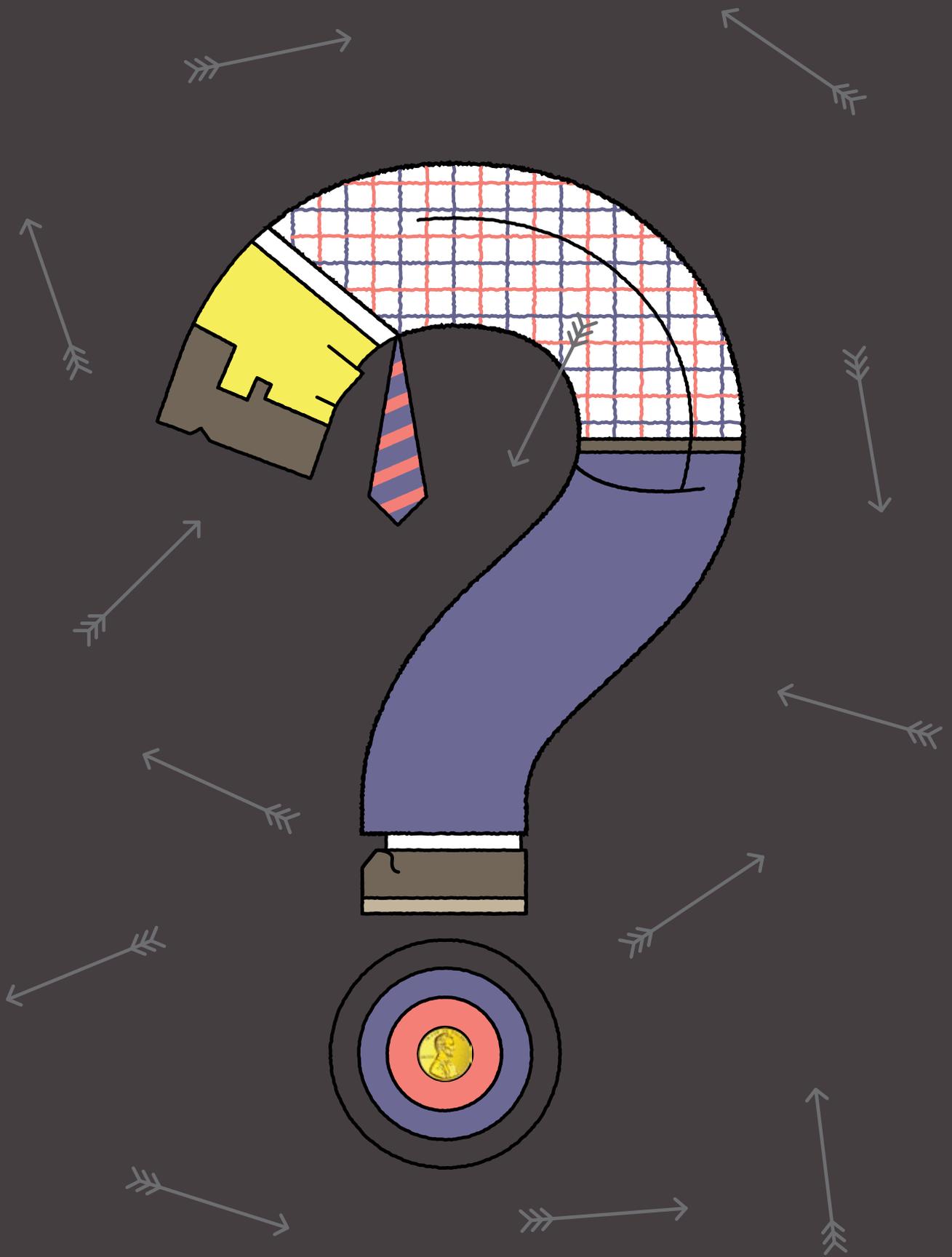
Personal sales strategy? Are you kidding me? I have no idea what my company's sales strategy is, let alone my personal sales strategy. I don't even think my company has a sales strategy. Besides, I'm not in sales anymore, and I doubt I am ever going back. Why in the world would I need a personal sales strategy?

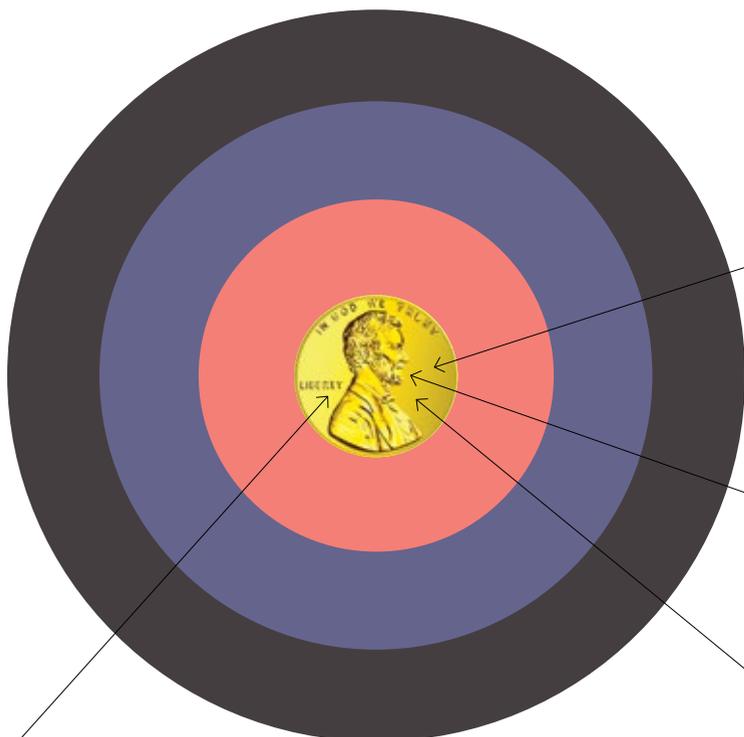
Wait a minute. In today's business world, employees involved in sales and sales-related activities (marketing or customer service, for example) make up a large portion of the white-collar workforce. Whether you are catching plenty of windshield time carrying a bag of Fuller brushes (or the digital equivalent), answering customer

support calls offshore, or building a project plan for an SAP or Oracle ERP implementation, it's all sales and it's highly likely that you need a personal sales strategy.

A simple and clearly understood personal sales strategy, one that's linked to the overall sales strategy of the company, will make you a more productive and effective performer. And in the event you have something as mundane as a sales quota or target, your sales strategy will be the key to knocking that quota into next week on a regular basis.

OK. Because I need a personal sales strategy and I am still not clear on my company's sales strategy, how do I get one that makes me a better seller? You build your own. And you build it by answering four simple questions. Luckily, they are the same four questions your company must answer to effectively communicate its own sales strategy.





1. What am I selling?
2. Who am I selling it to?
3. Who is doing the selling?
4. How am I selling it?

Let's take an in-depth look at these questions from a company's perspective, then use the answers to craft a personal sales strategy.

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## What Am I Selling?

The key to implementing a successful sales strategy is to begin by clearly defining the products and/or services the company intends to sell. In most cases, but not all, a company makes these decisions based on some recognized (and unfulfilled) need in the market.

There are exceptions, of course. The consumer goods industry always seems to come up with a few products that create their own demand. Baby boomers will remember the Slinky, a toy spring that seemed to walk on its own. Recently, all my grandchildren have determined that they have an overwhelming desire for fidget spinners, which seem to be stress-relieving handheld gadgets that spin.

For services companies, it's a lot harder to create demand, although the IT folks are always innovating. They've now come up with "software as a service (SaaS)," which feels like the same old product, except it's hidden from us (in the cloud, you say), and requires us to pay for it over and over ("usage-based billing")—rather than in one lump sum.

Nonetheless, companies are best served by answering this question with products and services that meet a clear and definable need.

Constantly revisiting the "What am I selling?" question enables product companies to focus their R&D spending, which likely makes them more effective innovators. For service-oriented outfits such as consulting companies, the answer to this question is almost always "way more service than I should be."

Because services companies don't have the typical long and expensive product development life cycle to contend with, they often expand their portfolios to include the newest business process specialty, without regard to potential client need or the company's delivery capability. Too many experts and too few billable hours is the condition that generally follows.

I joined the consulting arm of a Big Eight accounting firm in the mid-'70s as an IT strategy consultant. Back then, very few folks could spell information technology, let alone tell you what their strategy was. When a potential client asked me, "What exactly does an IT strategy consultant do?" I invariably responded with a question of my own: "What do you think you need?"

Clearly, neither my company nor I had spent a lot of time answering the "What am I selling?" question. Then again, falling blindly into the IT space at that time wasn't a bad outcome.

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## Who Am I Selling It To?

Answering this question for a multinational company like IBM, for instance, can be daunting. With its broad portfolio of products and services, IBM's markets are truly global in nature and require literally thousands of sales resources to engage potential customers.

A local restaurant, on the other hand, may draw 80 percent of its customers from within a 20-square-block area and needs only a neon sign to reach out to its customer base.

In either case, a clear understanding of a business's market is essential to sales success. Companies generally organize their markets and potential customers in a limited number of ways: by region (geography); by industry; by company size (revenue or number of employees); by strategic account; or by buying habits.

Sales resources are allocated to these market segments according to a coverage model, and that's the first step in answering the "who" question. But it's not the most important one. The most important step is targeting: picking the best opportunities based on product need within a given market and making sure you are selling to the right people inside that target. Targeting is often a sophisticated and complex analytical process intended to reveal a potential customer's buying habits.

But the objective of targeting is easily explained. The salesperson needs to find the customer who has the most pressing need for what they are selling, figure out who inside that organization has the authority to buy, deliver the pitch, and close the deal. Don't waste time with entities or people who are unlikely to buy.

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### Who Is Doing the Selling?

This question seems straightforward, but it is actually the most challenging to answer effectively. A company's sales resources come in all shapes and sizes—inside sales, outside sales, telephone sales, internet sales, offshore sales.

However, there is one thing you can be sure of in most businesses: When it comes to sales folks, the vice president of sales never has enough and the CFO is convinced the company can't afford the ones they have.

In today's highly connected business environment, whether it is business-to-business or business-to-consumer, figuring out how to hire and deploy the best mix of these different sales resources is a high art form.

But there is another aspect to this answer that can have an equally

significant effect on sales success: alternative channels to market. That's a fancy way of saying, "I need to get somebody else to sell my stuff!" Or at least get them to send some good leads. For a company, building alternative channels often involves combining product or service offerings with another company to provide a market "solution" that can then be sold by both companies' sales teams. Or, it can happen by forming go-to-market partnerships where sales resources can sell the products of both companies.

For the individual salesperson, alternative channels take many forms. Trade shows, networking groups, and association memberships are all potential sources of new opportunities. And, of course, the internet has become the most powerful "alternative channel" in the history of American business.

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### How Am I Selling It?

Answering this question comprehensively requires focusing on a whole host of tactical sales challenges: product pricing, sales organization structure and coverage model, customer stratification, the "hunting versus farming" approach, salesperson quotas and compensation, the sales pipeline. The list goes on and on.

But at both the company and individual salesperson level, all these issues pale in the face of the *two most important considerations* in the "how" question: value and differentiation.

A winning sales message clearly differentiates the product or service you are selling by articulating its value to the customer. Not cost. Value. There is nothing—repeat, nothing—more effective in closing business than a compelling value proposition. It is the ultimate differentiator.

Webster defines value as "the quality that renders something desirable." Synonyms for value include worth, usefulness, and benefit. I am selling what you need, and it's highly unlikely you can live without it.

**Pick the best opportunities based on product need within a given market, and make sure you are selling to the right people inside that target.**

For example, a customer relationship management system that tracks opportunities as they move through the sales pipeline has obvious value to a sales manager. Cost is only one part of the value proposition. Understand how what you are selling has value to your potential client and keep saying it until they have either signed the check or refuse to listen anymore.

The questions are simple. You need to make your answers compelling. Understand your company's answers to the questions first. Then proceed to develop your own personal sales strategy. By answering these four questions, both you, and your company can reach your sales goals. ●

**Oz Fretz**

[oz.fretz@jabian.com](mailto:oz.fretz@jabian.com)