



More Sales

Simple, effective and easy to implement strategies that promote growth

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In business circles there's an old adage that there are only two ways to increase profitability: you can either cut business costs or increase revenue.

While there has been a lot of focus on cost cutting, organisations spend very little time on thinking about how to increase revenue. Cost cutting can be achieved by using a number of well-known tools including: Activity Based Costing, Six Sigma, Supply Chain Analysis, Just In Time Inventory, Total Quality Management (TQM).

Our organisation has been involved in projects that have used one or more of these techniques and have found them useful in driving down the costs in a business.

When it comes to increasing revenue there are four ways to achieve this: find more opportunities, increase win odds, increase the size of current opportunities and shorten the average sales cycle length.

This paper provides a brief outline of a number of tools that I have found effective in driving business growth, both in terms of market share and revenue.

How to find more opportunities

One of the most common methods for getting more sales involves creating more opportunities. Increased sales transactions then promote revenue growth.

But, in a mature market it's often difficult to achieve a significant increase in the number of sales without investing in additional resources.

Rather than focusing on additional resources here are my top seven techniques for finding more opportunities:

1. Be proactive in your business development. Focus on your client's business issues and go and talk to them about how you can help, rather than just waiting to be called.
2. Top accounts or clients should have an account plan. This document should clearly identify your plan for that client over the next 12 to 18 months as well as targets and action points.
3. Keep a list of key contacts for current and prospective clients and jot down their responsibilities and business issues. Then, align your offerings to meet them.

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4. Leverage past successes, both with the client and the broader industry. This will help you expand your engagement or sell a product that's not currently being purchased.
5. By analysing past successes you should be able to generate a value position for your offerings and a case study. You may also be able to use past successes to ask for referrals or as part of a targeted lead generation campaign.
6. Increase the amount of time you spend on business development. It is important that you have a process in place to qualify leads early so that you do not waste valuable business development time on opportunities that you are unlikely to win. If you think the probability of winning is less than 40% then why are you pursuing it?

Most organisations don't spend enough time on business development. While the amount time will vary, if you aren't spending at least 20% of your time developing new sales then you should have a good reason.
7. Invest in a quality marketing campaign. Many small business owners don't spend enough on marketing. In a 2011 survey CMO Insights reported that SMEs spend, on average, approximately 10% of their overall budgets on marketing. When you decide to invest in a marketing campaign make sure you have analytics in place to measure results and how much it cost you for each lead and sale.

How to increase your win odds

This is often the simplest but most overlooked method to increase sales. Basically, just win more of the leads that you pursue.

Some things you can try to increase your win odds are:

1. Have a clear and concise position statement for your organisation and each of your offerings.

I have found that business owners sometimes struggle to articulate a clear positioning statement about what they are offering a client. A good positioning

Most businesses convert about 35% of their leads into sales. By just increasing this to 40% you will increase your sales by about 14%.

statement comprises of a simple one or two sentence pitch that identifies what you do. You should also be aware of your competition and adjust the pitch to clearly communicate your unique selling points within that competitive framework.

2. Sell on value not features. Tell the buyer what value they will get when they buy from you. Selling the value is much easier to achieve if you focus on the buyer's business issues and show them how you can help rather than telling them what great features your product or service can provide.
3. Ensure that you have access to the decision maker and spend as much time as you can helping them understand your value. If you are not in the habit of confirming meetings with a quick email you need to start now.

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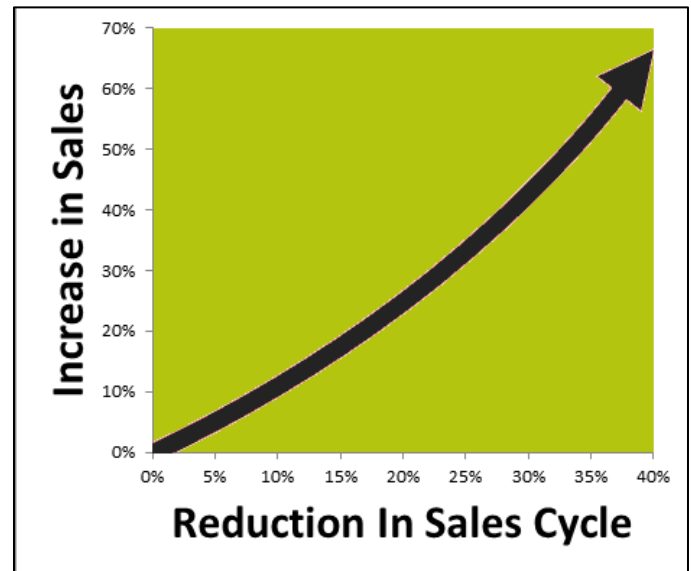
**Increase the size of your current opportunities, or
..... Do you want fries with that?**

An organisation's ability to build extra products or services into their offering is a great way to increase revenue. This can be achieved through upselling to a more expensive but better solution or offering customers options like service contracts, extended warranties, installation, etc. Some things to keep in mind as you try to increase the size of each opportunity include:

1. Focus on fully understanding the total business issue and offer a solution that provides the client with the highest value. To do this you need to be able to articulate the tangible value of each component of your offering.
2. Identify where you can help other parts of the organisation. Look beyond the traditional people and departments you deal with and communicate how you and your offering can help them achieve their goals. Often this is easier to do by looking at what the Key Performance Indicators (KPIs) are for each key contact. Then work out how you could help them meet their KPIs.
3. Broaden the scope of the solution by understanding the initiative (and associated business issue) that is driving the purchase of your particular product or service. This works best if you enter the buying cycle early and are able to influence the buyer's requirements.

Shorten your sales cycle

If it takes 3 months to sell your offering and you can only manage 4 opportunities at one time (16 deals per year), then shortening the time it takes to sell a deal to only 2 months (24 deals per year) will increase your sales by 50%.



It's really all about improving your productivity and one of the best ways to do this is to identify and disqualify bad leads early.

Sell cycles can also be shortened by:

1. Improving speed through the sales steps by having a good opportunity plan. As Abraham Lincoln once said "give me six hours to chop down a tree and I will spend the first four sharpening the axe." While we all know that having a robust plan will make things happen faster most sales people rarely plan their sale beyond the next step.
2. As you engage with your client consider what competitive strategy you are using:
 - 2.1. How you will align with all the key stakeholders, what are all the steps that you and your client will need to go through to get the deal done?
 - 2.2. Are there any legal, technical or administrative barriers that will need to be overcome?

By preparing for all these things early you will speed up the sales process.

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3. Get access to all stakeholders and decision makers early so that they the information they need and are committed to your value proposition well before you close the sale.

No matter what the size of your business you can increase your profit not only by cutting costs but by applying one or more of the revenue increasing methods I have outlined in this paper.

The challenge that most business owners face is to pick the one most applicable to their situation, both in terms of the marketplace and business timeframes.

How do I know what strategy is the right one for my business?

Consumer confidence and the pressures of technological change continue to both challenge and provide opportunities for many business owners.

The strategies that I have briefly addressed in this paper can be applied across many business sectors.

I acknowledge that it is very easy to get caught up working in the business rather than taking the time to think strategically and plan for business growth.

M101 Sales Capability Builders work with business owners to implement growth strategies utilising effective sales techniques and strategies.

If you would like to discuss what sales growth strategies would be right for your business please get in touch.

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Mark Hooper is the founder of SalesXL and specialises in helping people and organisations maximise their sales potential.

He has over 25 years' experience as a sales and marketing professional and has worked with organisations such as Microsoft, ABB, Australian Consolidated Press, Bristol Myers Squibb and Alliance Insurance.

Mark has a degree in Science from Sydney University and a Postgraduate Diploma in Marketing from the University of Technology, Sydney.

