

7 Steps to Developing a Winning Sales Strategy

Poorly defined strategy will often result in poor performance or missed opportunity. This short paper outlines some fundamental steps a sales leader must take in order to create a winning sales strategy.

1. Assess your market

Many organisations struggle to gather the intelligence required to make an accurate assessment of the market they are in (*or considering to enter*) and others end up with too much information and in a state of 'analysis paralysis'. The key is to know the questions that you need answering so that you can give sharp focus to your analysis. E.g.

- What is the size of your market?
- How much of the market can we conservatively take?
- How well does our product fit?
- What has made us successful or unsuccessful?
- Why do customers buy?
- Who do we compete against?
- Which customers should we be targeting first?
- How well do we really know our customers?

"Think 6 Q's what, when, which, why, how who?"

You could make a start by examining your existing customer base, identifying who you target customers are, sizing the markets you are in (*and want to be in*) and assessing how well your products currently fit. Having considered your market, your product and your target customers you will now need to look at the industry in which you operate in, so that you fully understand what you are up against. To do this you will need to conduct a deep analysis of your competition and consider other factors that can influence the dynamic of your organisation, such as the impact of your suppliers and customers. By doing this you will have created a considered view of your potential market opportunity and an understanding of any threats posed within the environment that you operate.

2. Define your competencies

Many organisations aren't fully able to succeed in a market because they don't properly take stock of their own capability and competence. It is critical for your sales strategy to fully understand how you are going to compete and what enhancements you need to make today and in the future to stay competitive in your current marketplace. Importantly you will also be assessing where valuable improvements can be made throughout the journey a customer takes through your organisation.

Core competencies are a specific set of skills, services or products that deliver value to your customers that enable you to access the markets you operate in (*e.g. evaluate your people, your products and your sales process*). By examining your internal competence you will fully understand your internal strengths and weaknesses and be better placed to assess the viability of taking your existing products and services into new markets.

3. Form strategic themes

By completing steps 1 and 2 you will now have a comprehensive assessment of your market and strategic themes will begin to emerge. You now must carefully evaluate the best direction to take and consider how you intend to gain competitive advantage in your most favourable markets.

Make sure your thinking remains aligned with your overall business objectives, apply a dose of common sense and avoid thinking too big or too small. Hedge your bets and don't put all your efforts in one initiative. Ensure to identify initiatives that will strengthen your existing position and those that will support future growth.

4. Craft compelling value propositions

You must be able to articulate your value and help customers realise how your product or service will benefit them in addressing a specific need. Customer benefit can be gained by the value of the product and through your supporting sales process.

In a very simple nutshell proposition statements must clearly explain what benefit you provide, for who, and how you do it uniquely well. Sales and marketing need to work very closely together in crafting proposition statements so that go-to-market activity is fully aligned.

5. Set direction and sales focus

Mission & Vision

It is important to give absolute clarity about why your organisation exists, where it competes and what the sales organisation looks like in the future. This can be achieved by creating mission and vision statements that are designed to incite feelings of excitement. Keep your statements as short and concise as possible and ensure you use excitable words that are totally free of management speak, buzz words and jargon.

Sales Goals

Strategic goals are your destination and are based around the strategic themes that you have identified in your analysis. (*e.g. enter new markets, expand globally, launch new products or capability*) and they provide the basis for setting sales force activity and targets. Set goals that can reward and motivate not punish and disengage the sales force. Ensure that the goals you set are aggressive and stretching yet realistic and achievable with the resources and capability you have.

Sales Objectives

Sales objectives are measurable and they determine what activities you are going to do in order to achieve your goal. (*e.g. increase margin, reduce headcount, and improve pipeline velocity*). Ensure objectives are well articulated using SMART and are sufficiently challenging yet achievable. It's very important step to get this right as poorly defined objectives will negatively impact your results and have an adverse effect on sales force motivation.

Sales Strategies

The sales strategies you choose will determine how you achieve your desired result. Sales strategies are designed to focus the sales force towards the most attractive and profitable market segments and groups of customers. Ask yourself what is the best strategy to adopt? (*e.g. Should I sell more to existing customers? Develop new markets? What type of customers should I target and why?*)

In addition to a customer focus, your sales strategies should consider what activities you want your sales force to be engaged with throughout the entire journey a customer takes through your organisation. A well designed sales process can add significant value to your customers as well as drive internal efficiencies and cost savings.

Sales Forecast

As part of the strategy and planning exercise you will need to create a sales forecast in order to estimate and predict future sales. An accurate sales forecast will enable the business to make informed business decisions, manage operational risk and predict short-term and long-term performance. There are many, many aspects to consider when forecasting and many approaches! Ensure to consult with all key stakeholders (*especially finance and your sales people!*).

Sales Tactics

Your Action Plan outlines the tactics for reaching your customers. Ask yourself what set of tactical actions you are going to take. (*e.g. What is the best funnel of activity to gain new customers? What actions are required to protect and grow existing customers?*)

6. Sales force structure and design

In order to achieve your sales goal you must consider how to structure your sales force to ensure the best possible chance of success. The size and shape of your sales force will impact your sales people, your customers and the overall business. If it's too small then sales people will become over worked, customer needs will not be met and opportunities will be missed. If it's too big then you run the risk of sales people not being challenged and becoming a frustration to customers.

Well-designed territories will ultimately lead to increased sales, improved staff morale and they will also keep costs and travel time under control. Give careful consideration to the design of your territories. Ensure workloads are balanced, sales force experience is aligned to customer needs, customers are fairly distributed and work-force efficiencies can be gained.

7. Measurement criteria

Sales performance management is the control system of your sales organisation. It is the system that ensures your sales people continue to do what they are supposed to be doing. The right measurement will keep you informed that sales people are on track and focused on high value activities that will get the desired result. Tactical sales force performance measures are one of the very best ways to keep your strategy on track.

Sales activity drive results therefore consider a combination of measures that are based around results (*e.g. sales revenue, sales profit, gross, margin*) and measures based on sales in-puts (*e.g. call time, appointments, use of social media and proposals*). Only begin to measure what you can actually verify with the data you have!

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