

# THE BUILDING BLOCKS OF A SUCCESSFUL SALES STRATEGY

The building blocks of a successful sales strategy – what every entrepreneur building a business should know

It was Guy Kawasaki, former Apple evangelist and founder of Garage Technology Ventures in Silicon Valley, who said that growing sales fixes everything. This is true, and sales growth provides the basis for a sustainable business. So the question is – how does the small and medium-sized enterprise (SME) deliver sales? The answer includes a combination of things, most importantly, having a robust customer-driven sales strategy and executing it well, and sales-focused leadership and management practices.

## Eight essential steps

Every SME will have a view of what a sales strategy looks like and where it fits into their business model. And that's great! However, the question remains, how successful is that sales strategy? From experience of working with SMEs, it is clear that sales growth does not always and, indeed, frequently does not meet the company's ambition. And many SMEs in the second stage of growth will struggle to break through the £10 million sales threshold.

So what must a sales strategy have that will deliver strong and sustainable sales growth? There are eight essential building blocks that must come together like members of an orchestra to produce great music. This is true for business-to-business and business-to-consumer selling. These then are the building blocks:

### 1. **A clear business goal and underlying sales-growth objectives**

The cornerstone of a successful sales strategy is knowing your sales goal, or in other words what exactly do you want to achieve, in the short term and long term, and what is the goal of your business?

The objectives are those that underpin and make up the business goal and are the annual sales targets, which are defined bottom up and involve the whole senior management team in defining.

## **2. A deep understanding of the target customer group**

Choosing the target customer and understanding what is of value to them is an important step in developing a successful sales strategy. Recently, Professor Robert Simons wrote in the *Harvard Business Review* that the strategic choice of the primary customer is crucial to defining the success of the business.

Uncovering the needs of customers requires research and dialogue. This is when successful SME leaders take Kipling's advice and use the help of the 'six honest-serving men'... whose names are what, when, where, how, why and who.

## **3. Innovative products and/or services and a powerful sales value proposition**

The late Steve Jobs said that 'put the product first' and 'push for perfection', which pretty much summarises this building block of the sales strategy. For the SME to grow it needs to innovate and deliver great products and services. Without product innovation, the SME will find it hard to survive in the face of competitor advances.

The key question is – why would the customer buy what you are selling? The sales strategy must articulate the sales value proposition. The sale hinges on the strength of it. What is a sales value proposition? It is a statement of benefits that fulfils the needs of the customer and creates value for the customer.

## **4. Strong competitive advantages**

Now that your company knows who its potential customers are, it needs to identify its competitors.

The question is then, what are your competitors' strengths and weaknesses that you will need to sell against and exploit? You also need to know what your own competitive advantages are.

There will always be competitors and it is naïve to think there are none. It is important to know why the customer previously chose the competitor or why they might choose the competitor in the future.

## **5. A clear route to the target customer market**

How do you reach and sell to your customers? The choices include direct or indirect routes. If you are going the direct route, will this be via a field-based sales team, telesales or trade shows/exhibitions and similar events? Going direct is a model used by many manufacturers and, of course, retailers.

The internet and company website have grown phenomenally as a route to market, being seen as a relatively inexpensive means to sell to the customer. Online selling and purchasing are now well established and predicted for many goods and services to be the predominant route to market, with social media helping to attract and direct customers to the company website.

## **6. A well-defined sales process, solid execution and excellent customer service**

An important part of the selling process is face-to-face engagement. Russell Ward, founder of Silent Edge, former sales director of Maid Plc and author of *High Performance Sales Strategies*, says that in business-to-business selling the time in front of the customer, which he refers to as the 'critical hour', has to be well executed. He describes the five competencies that cover 29 individual dimensions required to execute successfully: preparation, professional conduct, questioning and listening (crucial skills in front of customers), presenting your sales value proposition, and closing the deal by skilfully overcoming objections.

Solid execution is what drives sales growth and the sustainability of the business. Every SME that has ambition to grow sales rapidly needs to demonstrate commitment from the top and throughout the company to excellent customer service. Sadly excellent customer service is rare.

There are three problems:

- employees don't know the fundamentals of winning and keeping customers
- the moments of truth when an employee meets/talks to a customer are not being identified and properly managed
- there is no reward system by which the SME rewards the employee for delivering excellent service.

The good news is that these can be addressed.

Michael LeBoeuf, formerly a professor of management at the University of New Orleans has provided a great insight into how to win customers and keep them for life in his book of the same name, stressing that winning is about educating employees in how to treat customers and rewarding them for providing excellent service. The knock-on effect is that customers who receive excellent service become an influential source of advertising if they recommend the SME's products and services.

## **7. Availability of resources, skills and capabilities**

The SME needs to deploy resources (people and finance), skills and capabilities (e.g. sales planning and key account management) to sell its products and/or services.

People need to be trained to sell and deliver excellent customer service. The SME needs to have a mix of on-the-job and externally provided professional training for its sales people.

#### **8. A robust sales management practice**

Some of the key questions that the sales strategy needs to address are in regard to sales management. A successful sales strategy needs constant work and regular reviews to achieve the sales ambition of the SME.

How is the sales performance reviewed? This is all about measuring. Tracking the key sales metrics will help deliver sales growth by alerting you to what is working and what is not. There are at least five metrics SMEs should track: sales by month, sales by product or service, new versus repeat sales, sales per customer and, the often overlooked metric, sales per campaign or prior activity.

Henley Business School offers the [Winning and Developing Customers Programme](#) that covers these building blocks of the sales strategy and also the [High Growth Accelerator Programme](#) that positions sales and marketing as key activities in growing a business.