

Sales success

How to ask the right questions and increase your business when sales growth is elusive

Businesses have been able to keep their heads above water during the recession — and the agonizingly slow recovery — by increasing efficiency and reducing expenses. However, many find sales growth more elusive.

“Their focus has been belt tightening, cutting expenses and doing more with less, but that’s not going to carry them through the next five years,” says Larry Goddard, CTP, managing director at SS&G Parkland. “The challenge is to focus on growth in a slow-growing economy, and everyone is going to have to be better at sales strategy and execution.”

Sales strategy, however, often gets less attention than lowering costs, as you’re dealing with an uncontrolled environment of customers and competitors, he says.

Smart Business spoke with Goddard about the questions business owners should ask themselves when sales are stagnating.

Are you operating in markets that are conducive to success?

Business success is always tough, but it is even tougher when operating in markets that make success harder to attain. Markets that are shrinking, low margin, or dominated by formidable and powerful competitors invariably make sales growth harder to achieve. Businesses that do not operate in markets that are conducive to success are likely to be consistently disappointed with their sales performance — unless they have strong ways to counteract unattractive markets.

You can make markets more attractive by changing markets, finding growing niches within markets, or changing or adding distribution channels. You might differentiate your product or form a marketplace alliance to gain a competitive edge. For example, a company made cameras that could be attached to news helicopters, a shrinking market, so it modified the product to work in the military, where cameras give tank drivers a bird’s eye view of their surroundings. This small switch increased sales from \$4 million to \$100 million per year in six months.

Do you have compelling value propositions?

Businesses that don’t differentiate themselves in a way that customers can clearly see the value provided put themselves at a major disadvantage. Value propositions are the customer’s perception of differentiation — not the company’s. Too many businesses, when asked about their differentiation, will say their



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service — without having compelling facts to support this claim. This response frequently comes from the top three or four competitors in the same market, but they can’t all have the best service. To make this claim, a business should be able to document that its on-time delivery or its resolution of customer complaints or some other important aspects of service are superior.

Even the best salespeople have trouble selling without compelling value propositions. How successful do you think Zig Ziglar would be selling encyclopedias, typewriters or pay phones today? Conversely, how good does the salesperson have to be to sell an iPhone? The iPhone value proposition is so strong that the product virtually sells itself.

Generally, at the macro level, there are two types of value propositions — product and nonproduct. It’s important to know the difference because it changes your sales strategy. Product value propositions are usually more tangible and easier to sell.

Are you using the best people for the job?

Just like most quarterbacks don’t make good linemen and seldom are pitchers good hitters, not all salespeople are good at generating new business. Being comfortable meeting new people, dealing with rejection and persisting in the face of defeat are traits that only a small percentage of salespeople enjoy. These traits

are usually essential for success in new business development. Frequently referred to as ‘hunter’ salespeople, most businesses are fortunate if one in four of their salespeople fits this description.

Salespeople who don’t fit this description are known as ‘farmers.’ Farmers are vitally important salespeople, but they should play a different role — their jobs should be to work with, service and grow relationships with existing customers.

Most businesses don’t differentiate between hunters and farmers and expect both types of salespeople to generate new business and service existing customers. This is a mistake because hunters are generally not good at customer service and farmers, while trying valiantly to succeed, are usually poor at new business development.

Do you provide salespeople with the tools and support to be successful?

Here are some important resources and tools you need to equip your sales force with.

■ **Training** — Salespeople need training in selling skills and product knowledge.

■ **Collateral materials** — Effective brochures, websites, business cards, etc., are essential.

■ **Lead generation and qualification** — Because hunters are so hard to find, the good ones should not be bogged down looking for and qualifying leads. Companies should conduct market analysis, identify and prequalify leads. The best leads should then be given to hunter salespeople to pursue.

■ **Plans and goals** — Salespeople need to know the sales plan, strategy and goals. It is harder for the sales team to be effective without this information.

■ **Accountability** — Just like other employees, salespeople will generally be more effective if they are held accountable for achieving their goals.

■ **Leadership and coaching** — Most salespeople need effective mentoring, guidance, encouragement and appreciation.

It is easy to blame the sales team for poor sales results. Incompetent, unmotivated or disorganized salespeople could be part of the problem. However, unattractive markets, the lack of compelling value propositions, expecting farmers to be successful in new business development and not supporting the sales team are more likely to be the root cause of slow sales growth. <<

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