

## 1. Introduction: Summary of key points

As companies move back onto the offensive, the development and execution of effective sales strategies has become a front of mind issue for many of our clients. This paper presents a practical viewpoint on sales strategy development, making the following key points:

- ❑ **Strategy is all about “imagining the future and getting there first”**: that implies creativity and rapid execution.
- ❑ **The mission of the sales force is to be dominant** in key distributive channels, outlets or end users
- ❑ **Sales strategies can be developed at the front line.** Head office management may be too far removed from the windows of opportunity emerging in the market.
- ❑ **Involvement = Ownership = Commitment ...** With the right processes and training, sales people have enormous capacity for creative strategy development.
- ❑ **Involve other service providers too**, not least personnel from marketing, customer service and physical distribution.

## 2. What is Sales Strategy?

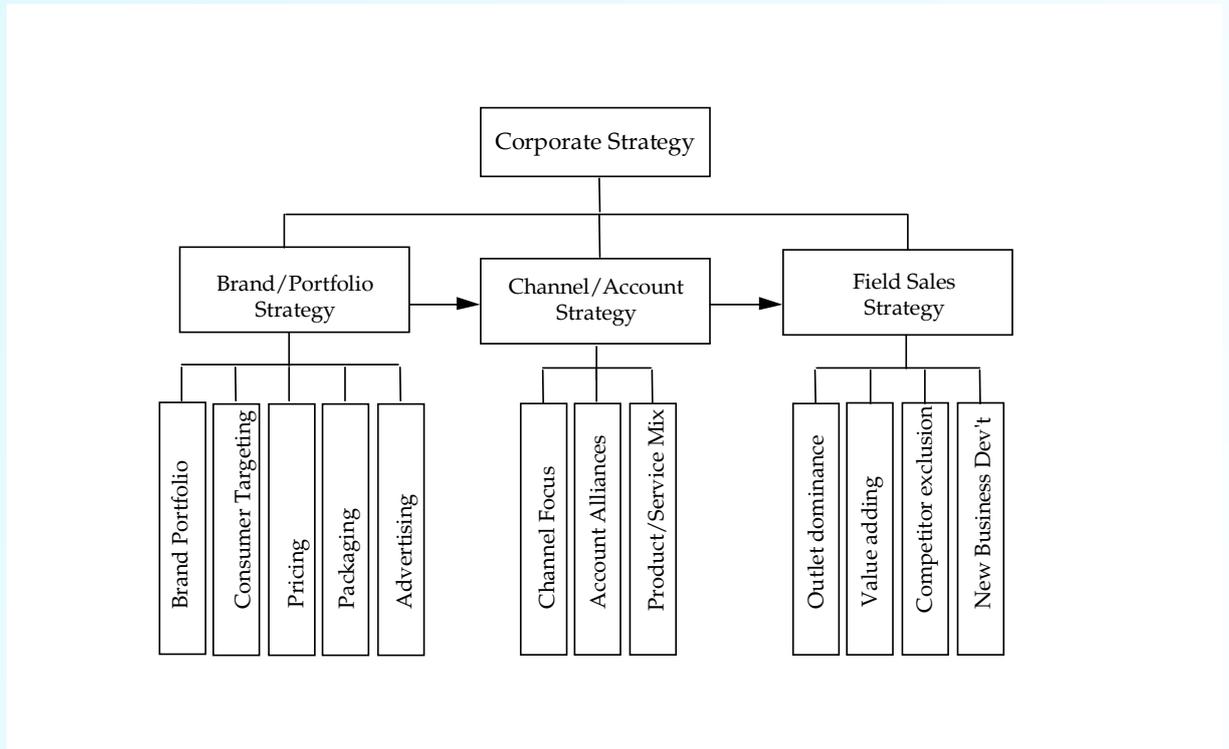
Our favourite definition of “strategy” is:

*“Imagining the future and getting there first”*

(Hamal & Prahalad)

The distinction between Marketing and Sales Strategies is important. Most of our clients work through distributive networks and we make these distinctions:

**Figure 1:**



**Marketing role:** *“Dominating the consumer mind”*

**Sales role:** *“Dominating in key distributive channels, outlets or users”*

Needless to say, the **co-ordination** of “consumer pull” and “trade push” is essential.

### 3. Sales Strategy Dimensions

**Sales Strategy**, the process leading to channel, outlet or user dominance (see Figure 1), typically answers the following key questions:

#### Channel focus or dominance

- Which combination of distributive channels offers the best opportunity to reach target markets profitably?
- In which channels can we achieve a dominant position?

#### Major account alliances

- Who are our strategically important customers and what partnering processes will:
  - Erect the most robust barriers to entry?
  - Give us the strongest references in the market as a whole?
  - Allow us to develop our “state of the art” product / service offering?

#### Product / Service Mix

- What combinations of product / service / promotion will allow us to gain this competitive advantage?
- What “value adding” services will be rewarded by distributors or customers?
- How can we deliver routine service efficiently to create the resources (time, money, etc) to make those value adding services count?

#### Customer segment or outlet dominance

- In which segments can we dominate?

#### Value Adding

- To what extent do we need to “micro market” at individual outlet or user level in order to build brands and capture share of mind (and business)?
- What sales initiatives will have the most impact? Eg:
  - Helping customers to sell
  - Training customer staff (or their customers)
  - Stock reduction / supply chain efficiency

#### Competitive strategy / competitor blunting

- In which distributive channels or customer segments do we want our competitors to operate and how can we engineer this?
- How can we blunt their competitive edge(s) whilst ourselves creating positions of genuine competitive advantage?

#### New Business Development

- In which areas of the matrix in **Figure 2** do we want to be most effective?

**Figure 2:**

	Existing Market	New Markets
Existing Products / Services	<b>Customer / Segment Penetration</b>	<b>Market Expansion</b>
New Products / Services	<b>Customer Development</b>	<b>Diversification</b>

**4. Can I get my sales team to think and act strategically?**

If you are frustrated by the lack of strategic thinking in your sales team, consider the leap that you may be asking them to take:

**Figure 3:**

From		To
Monthly budget achievement	• • •	Strategically driven top line improvement
Relationship protection	• • •	Selective creative partnering
Service problem solving	• • •	Differentiating on service excellence
Tough negotiation on "price"	• • •	Joint business development

Can they make the leap? Of course they can; it's just that no one explained what strategy was ... or emphasised that those closest to customers can make a major contribution ... or gave them a simple structured process for doing it.

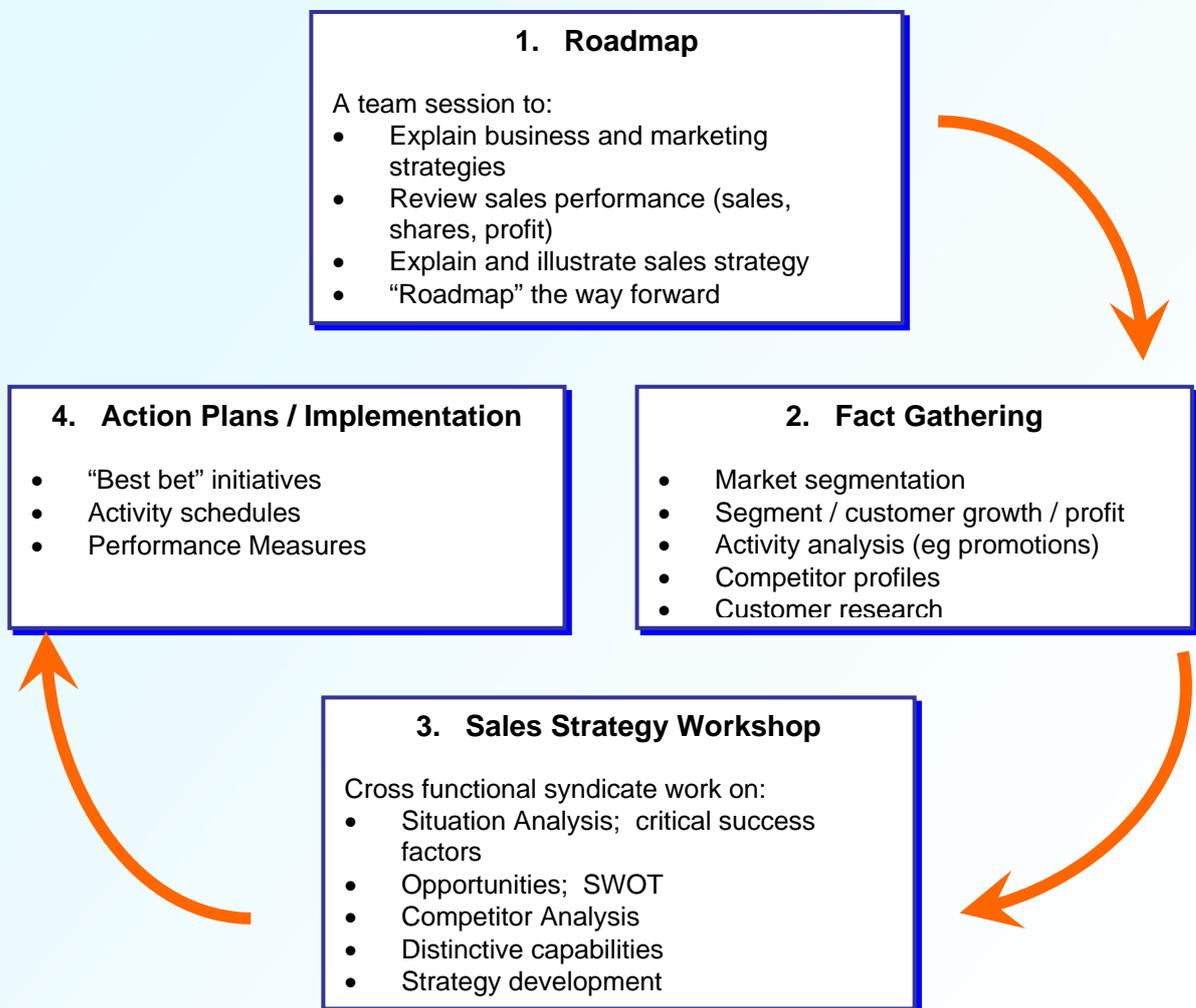
## 5. “How Should I involve the Front Line Team in sales strategy development?”

The “front line team” includes sales personnel plus support team members – marketing, distribution, customer service.

A potential process is outlined in **Figure 4**: a combination of initial briefing, project teams to gather facts, team workshop to agree direction, and an action planning and implementation phase.

Going forward beyond this phase, the “Roadmap” becomes a review as a spring board for the next cycle.

**Figure: Sales Strategy Development Process**



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