

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?

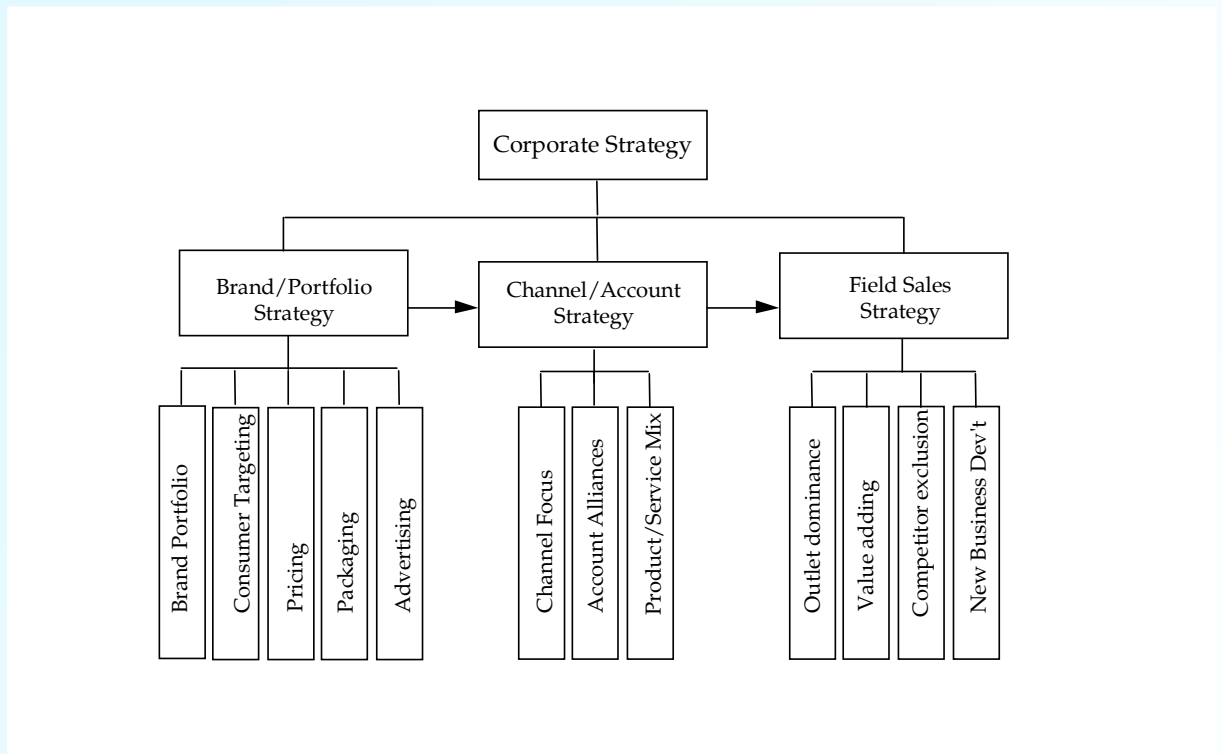
Our favourite definition of “strategy” is:

“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 | Customer / Segment Penetration | Market Expansion |
| New Products / Services | Customer Development | Diversification |

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.

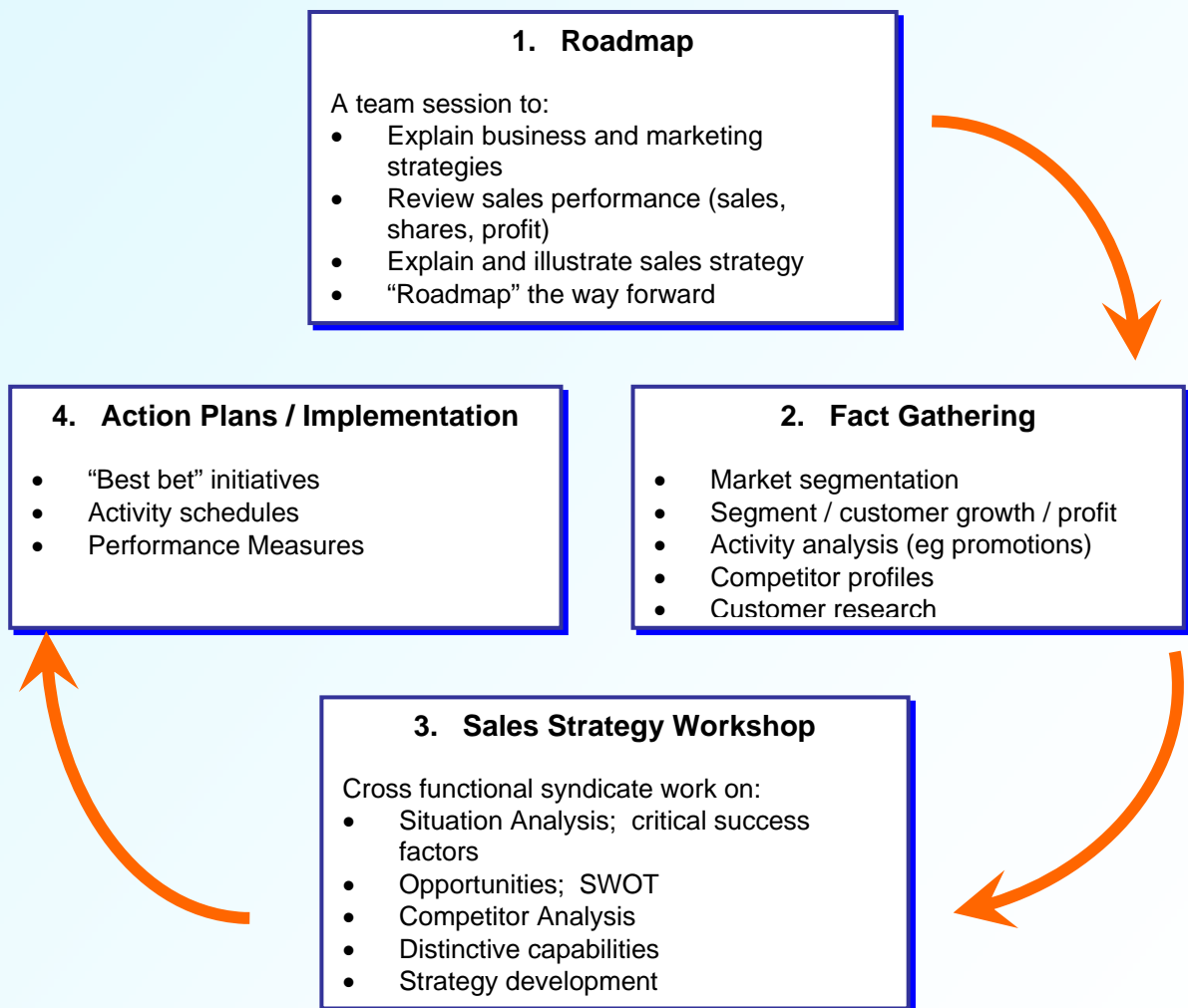
5. “How Should I involve the Front Line Team in sales strategy development?”

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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