

TEN TIPS FOR OPTIMISING TOP LINE SALES IN 2002

by Patrick Harlington of Ansa Business Development

The world is a more competitive place. Increased competition driven by globalisation, increased outsourcing and supply chain management makes every parcel of business harder to get. New competition and competition from unexpected quarters means that the battle for top line growth is harder than it has ever been. Economic factors place pressure on margins and therefore maintaining volumes becomes one of the key strategic needs.

We have selected from the action plans produced by our clients in our Profitfocus workshops the ten recurring points of focus for margin and profit improvement.

1. **Keep the Business You Have**

The old adage “it is six times harder to get a new customer than it is to keep an existing one” may well still be true but it is equally true that transaction buying as opposed to relationship buying brings a new threat. Customers are now more likely to change for very small financial or cost saving gains than they ever were previously. Be sure that you are spending at least as much time looking after the customers you have as you are in searching for new customers. Your sales team is probably made up of ‘farmers’ and ‘hunters’ direct their effort accordingly.

2. **Get ‘Very’ Close to Your Key Customers**

Be sure that your ‘service differentiators’ are of real value to your key customers. Shape your service and care disciplines around each of their individual businesses. Macro differentiation has little customer care value to many of your key customers; only micro differentiation in whatever form it takes creates real added value. Be sure that an adequate feedback process exists and is regularly used. Accept the tremendous contribution that complaints can make to the micro differentiation process.

3. **‘Up’ the Productivity of Your Sales Force**

Ensure that your sales force are directed in such a manner that they are highly productive in the quantity of their effort, the quality of their effort and, more importantly, the direction of their effort. Sales direction and sales management needs a quantitative and measurable form of management such as management by objectives or other form of tight control upon the very high cost of today's sales forces. In particular review your distribution policies ensuring that your sales force is free to focus upon the bigger fish. Leave the tiddlers to a well managed distribution network.

4. **Manage and Control Your Distributors**

If you have a ‘distributor network’ ensure that the network is well and properly managed. Put in place agreements which prevent cross and switch selling by your distributors. Think carefully about the optimum number of distributors. Prevent territorial or application competition between your distributors, you are the eventual loser of such activity. Help them to reach the market with prolific and targeted marketing activity, invest in their future success but set high performance standards and raise your loyalty expectations.

5. **Get Your Prices Right**

With so much more competition it is vital that you get and keep close to your customers. You need to be reassuring your customers of the good deals which they are getting from you. Ensure that your sales people are very regularly carrying out cost saving audits and ‘investment merit’ audits for your customers. You need to prove on a consistent basis that your product or service generates clear ‘cost in use’ savings.

6. Be Quick and Smart with Product and Service Innovation.

Most companies take far too long to get new products and product improvements into the market place. Speed and pace are vital in this 'cyber space age'. Ensure that your own red tape and bureaucracy does not hold up the creative talent and initiative of your marketing and design people. Don't cut development costs in your drive for margin protection. Invest in technical and marketing creativity.

7. Train Your People

In selling terms not only have the times changed dramatically but more so, purchasing habits and disciplines have changed. The move to transaction buying practices is gaining much momentum. Your sales team are more than likely to be good 'relationship' sales people; but the habits, practices and activity of relationship selling are completely impotent against the clear and calculating transaction buyer. Commercial awareness and financial ability are the core skills needed today. Negotiating ability now counts more than product knowledge. Selling today bears no relationship whatsoever to selling three years ago.

8. Reach Your Market

Traditional means of reaching markets are being challenged. The world wide web can not be overlooked as a potential shop window. Electronic trading will soon be the mainstream of commercial activity. Technical information; service information and reordering activity will very soon be the 'expected' available means of doing business. Many large corporations are already saying "don't bother to come and see us - we will visit your web site for our requirements".

9. Don't Overlook the Value of 'Add Ons'

If a customer buys a particular product or service from you what other products do they need to use the product? If you sell a service to a customer what consumables could you also sell as part of your service? Making sure that you at least ask the right questions and provide a 'complete package' can transform your top line. One of our clients in the south of England was able to increase top line sales by 22% simply by ensuring that the all relevant 'add ons' were supplied with the core product.

10. Incentivise Repeat Purchases.

Reward your customers for coming back to you, tie in one purchase with another give vouchers or volume discounts where appropriate.

Patrick Harlington of Ansa Business Development runs custom designed seminars for client companies worldwide. Subjects range from winning profitable sales, profitable negotiation, price management, purchasing for profit and communication and teamwork skills amongst many others.

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