

Identify Your Sales Strategy

Self-Assessment

To get you thinking on the right track about your sales strategy, ask yourself the following questions:

1. How do I define my business?
2. How is my company different from the competition?
3. How do clients benefit from my product/service offering?
4. Who are my ideal clients – and what am I currently doing to attract them? What new things can I do to entice them?
5. Are my sales currently growing at a desirable rate?
6. What is my idea of ideal salespeople? Do I currently have enough people who fit that profile on my staff? If not, what can I do to attract them?
7. What is my current marketing budget? Is it adequate to achieve my sales goals?
8. Do I have an effective referral program in place?
9. Is my product/service best suited for selling directly or indirectly to the end customer? (Direct sales are made when you sell right to the end user. Indirect sales utilize a middleman or reseller.)
10. What, if any, specific niches will I target? How will I find them and reach them within my geographic locations?

Choose a Distribution Channel

Questions to ask yourself:

1. How many products and services am I currently offering?
2. Is my sales volume high or low, relatively speaking?
3. Are my offerings high- or low- tech? Are they support-intensive or can they stand alone?
4. Do I plan to distribute locally, regionally or nationally? Do my chosen distribution channels mesh with those plans?
5. What are the barriers to entry for the distribution channels I'm considering? Can they be overcome?
6. How risky are the potential channels? Can I absorb the risk – and will the return be worthwhile?
7. How much will it cost me to utilize the channels I'm considering? Can I absorb these costs and still maintain an acceptable level of profit?

Prepare a Sales Forecast

The equation for computing a sales forecast is as follows:

$$\text{Sales forecast} = \text{Total number of customers} \times \text{Frequency of purchases (per year)} \times \$ \text{ amount per purchase}$$

To illustrate, let's say that a fictitious company called Sierra Snacks is conducting a sales forecast for the coming fiscal year. The company owner knows that he had 500 customers last year and is expecting a 10% increase in new accounts this year (for a total of 550). Customers order monthly, and Sierra's owner predicts average monthly sales of \$200 (a 15% increase over last year's figures, due to national advertising and strong word-of-mouth promotions). The sales forecast for Sierra Snacks would look like this:

$$550 \times 12 \times \$200 = \$1,320,000$$

Choose a Structure for Your "Sales Team"

There are several important questions to consider about your selling approach if you are a one-person (or slightly larger) operation:

1. Will sales be conducted by our current in-house employees, or will I contract an outside firm to handle the sales process? Believe it or not, sometimes it is less expensive to hire an outside agency because you don't have to pay benefits and other related overhead of having an in-house staff.
2. Will all staffers be responsible for generating leads, and selling, closing and servicing all customers? Or will some team members establish leads and make appointments, while others make sales, and a third group services their ongoing needs?
3. How many salespeople do I actually need – and how many can I afford?