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[SalesManagement.org](http://SalesManagement.org)

# Sales Strategy Development

## Advanced Sales Management Workshop

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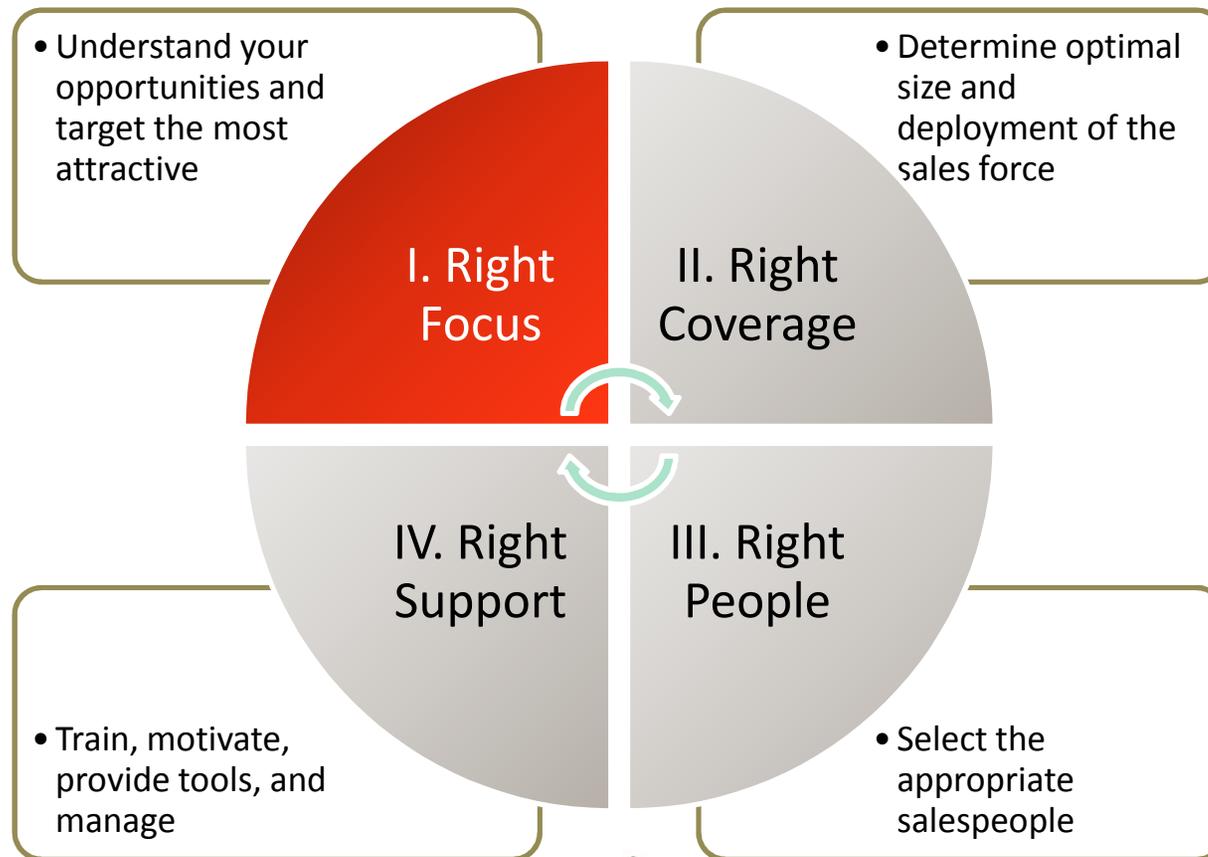
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 **DEPAUL** CENTER FOR SALES LEADERSHIP

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# Sales Strategy

## Where does it fit within the Sales Management Process?



# Session Overview

## Agenda and Discussion Guide

- What is a good selling strategy?
- Framework for sales strategy development
- Analytical tools to support sales strategy development



# What is a good sales strategy?

## Characteristics of a well defined sales strategy

- It can be executed by the sales force
  - ✓ Syncs with our value proposition and ability to deliver on the promise
  - ✓ Underlying goals are achievable given market potential, sales cycle, and the selling resources deployed
  - ✓ Readily cascaded down to individual salespeople in ways that they easily understand and care about (e.g., the comp plan)
- When executed value is created for:
  - ✓ The company
  - ✓ Customers
  - ✓ Channel partners
  - ✓ The sales force

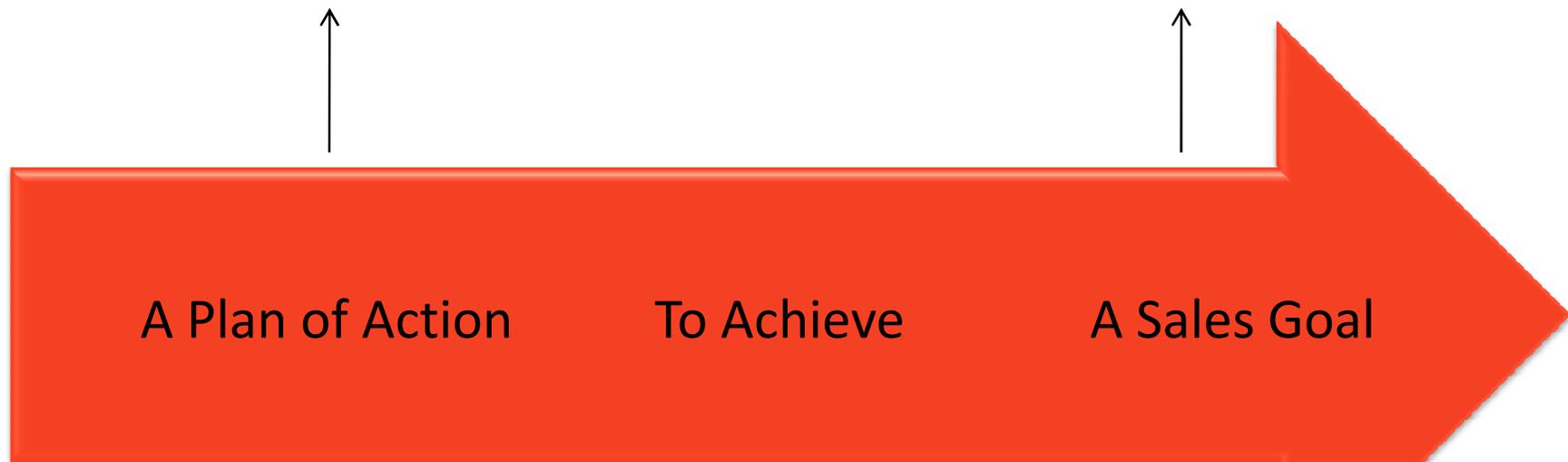


# What is a good sales strategy?

## Sales Strategy Defined

What will be sold, to whom, in what quantities, and how?

What goals are essential for the SF to accomplish?



# What is a good sales strategy?

## Common Sales Goals

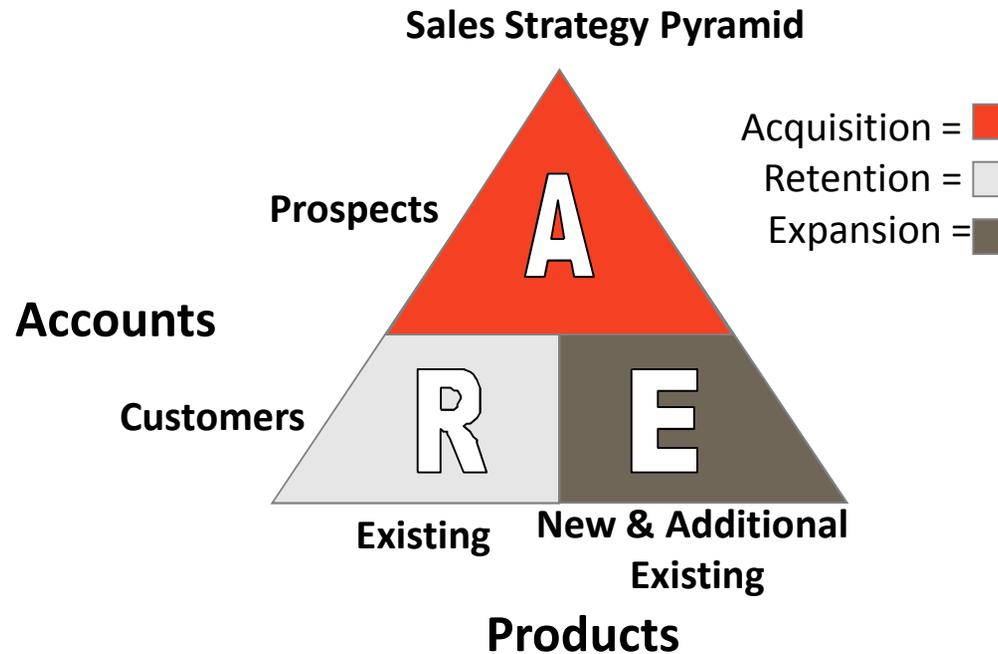
- **Revenue** - Absolute \$, \$ Growth, % Growth
- **Volume** – Units, Market Share, # Accounts, etc.
- **Profit** – GM \$ or %, NM \$ or %, Product Mix, Price, etc.

Most sales strategies today aim to accomplish multiple sales goals (e.g., profitable revenue growth). The specific type of goals selected are industry and sales force dependent. A good goal has (1) “line of sight” with what the sales force can influence on a daily basis, and (2) is an allocation of the business plan – the sum of individual sales goals adds up to the corporate goal.

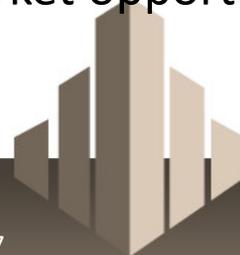


# Sales Strategy Framework

What Will Be Sold, To Whom, and How



A well articulated strategy defines what will be sold, to which customer and prospect segments, how much we anticipate selling to each segment, and how we will cover the addressable market opportunity.



# Sales Strategy Framework

## Prerequisites to Sales Strategy Development

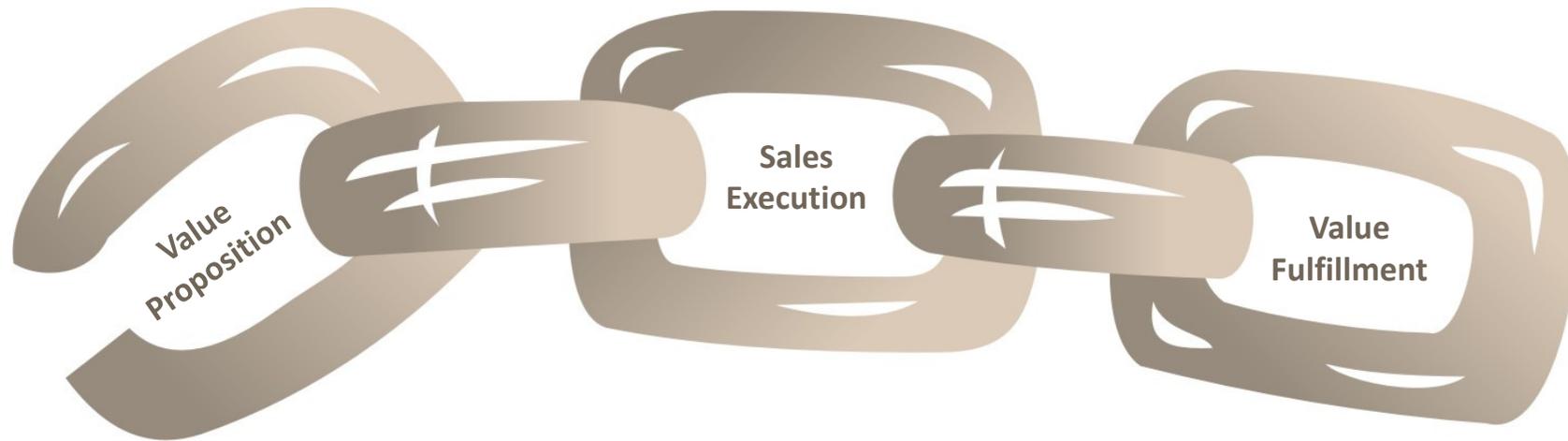
- Have a value proposition
- Understand your sales potential
- Segment - know with whom you want to do business

Sales strategy ultimately involves making choices and defining a sales focus (e.g., knowing what to pursue and not to pursue). To make good choices, it is essential to know for which customer segments our value proposition will resonate and the corresponding sales potential within these segments.



# Sales Strategy Framework

## Value Proposition



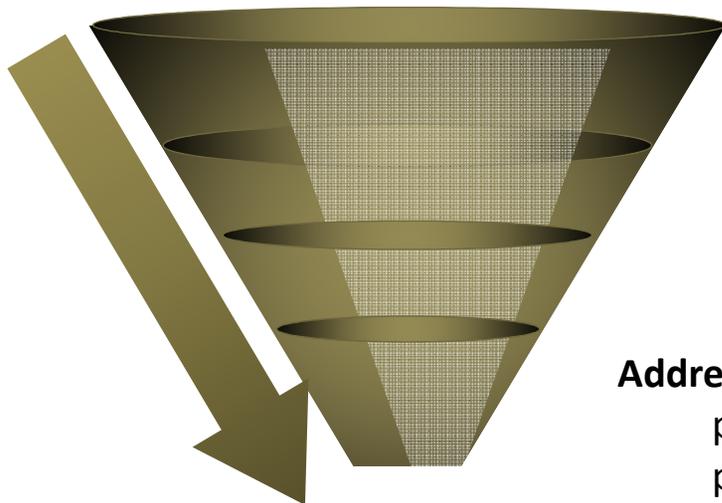
A good value proposition is:

- Unique
- Compelling
- Honest



# Sales Strategy Framework

## Sales Potential Estimation



**Total Potential** – the aggregate spend if all potential customers purchased the offering

**Currently Served Potential** – the current dollars spent by purchasers of the offering

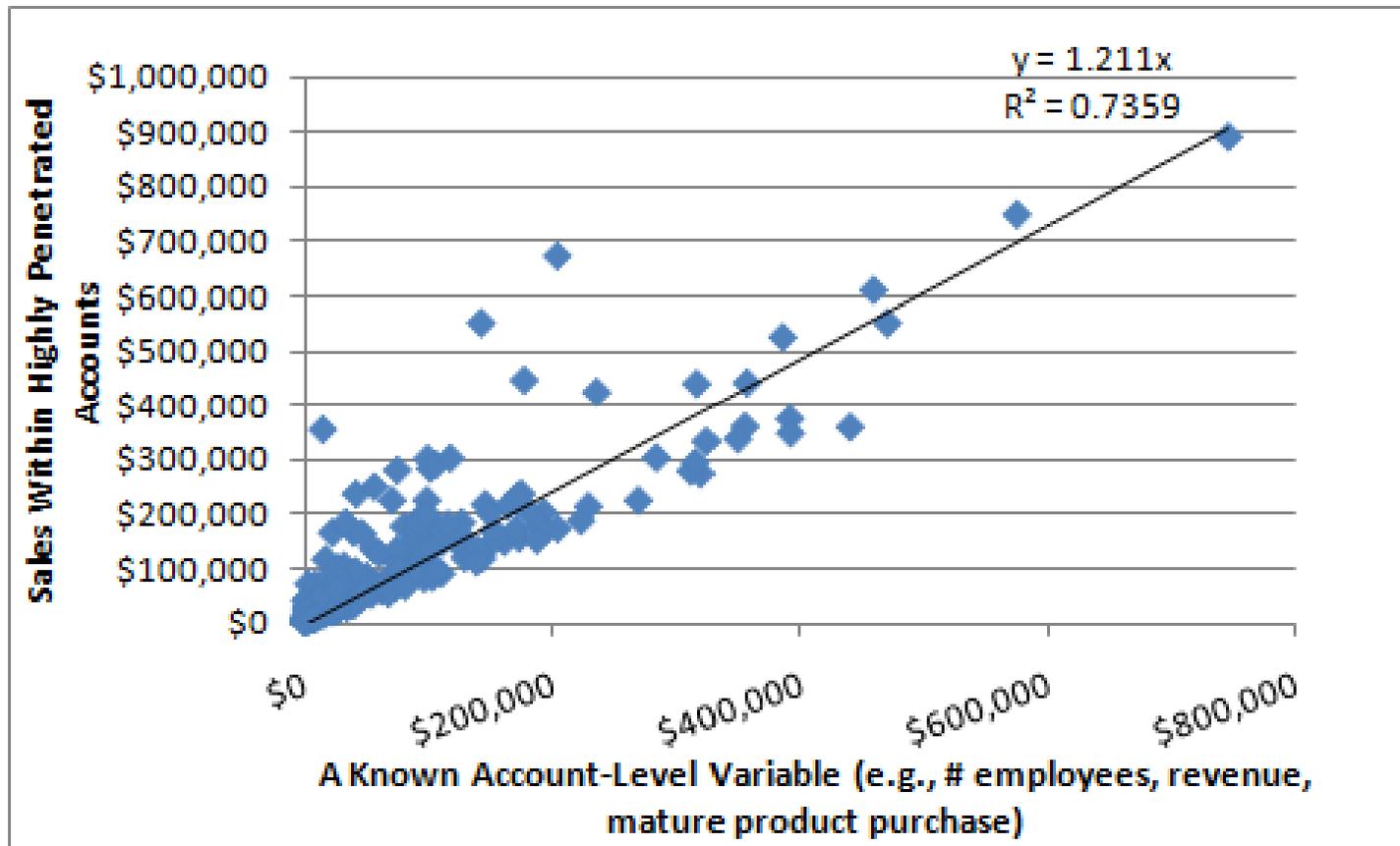
**Addressable Potential** – the dollars spent by purchasers where the organization has a value proposition and could effectively compete

**Realistic Potential** – the dollars spent by purchasers that the organization could realistically cover and win



# Sales Strategy Framework

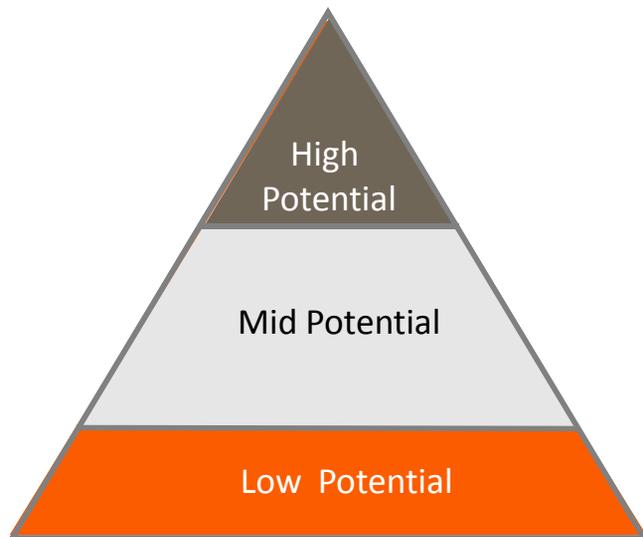
## Sales Potential Estimation - Illustration



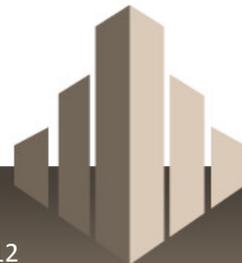
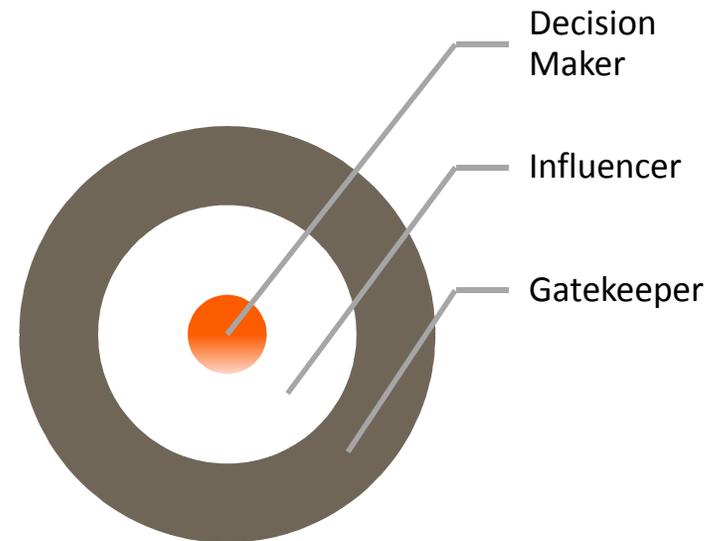
# Sales Strategy Framework

## Segmentation

### Account Segmentation

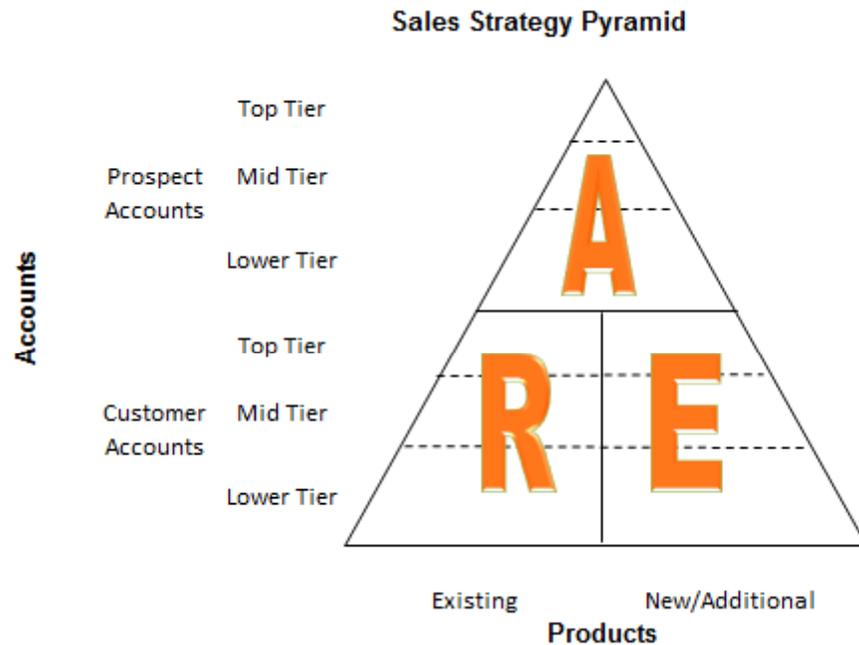


### Buyer Segmentation



# Sales Strategy Framework

## Segmentation - Illustration



Accounts	New Sales Opportunity		Retention Opportunity	
	New	% of Total	Retention	% of Total
167	\$36,688,317	17.8%	\$0	0.0%
405	\$39,054,236	18.9%	\$0	0.0%
2,508	\$93,234,536	45.2%	\$0	0.0%
270	\$19,360,665	9.4%	\$43,511,676	49.6%
348	\$9,573,218	4.6%	\$24,320,277	27.7%
666	\$8,407,936	4.1%	\$19,924,337	22.7%
4,364	\$206,318,909	100.0%	\$87,756,290	100.0%



# Sales Strategy – ARE Tool

## Looking to the Past to Define the Future



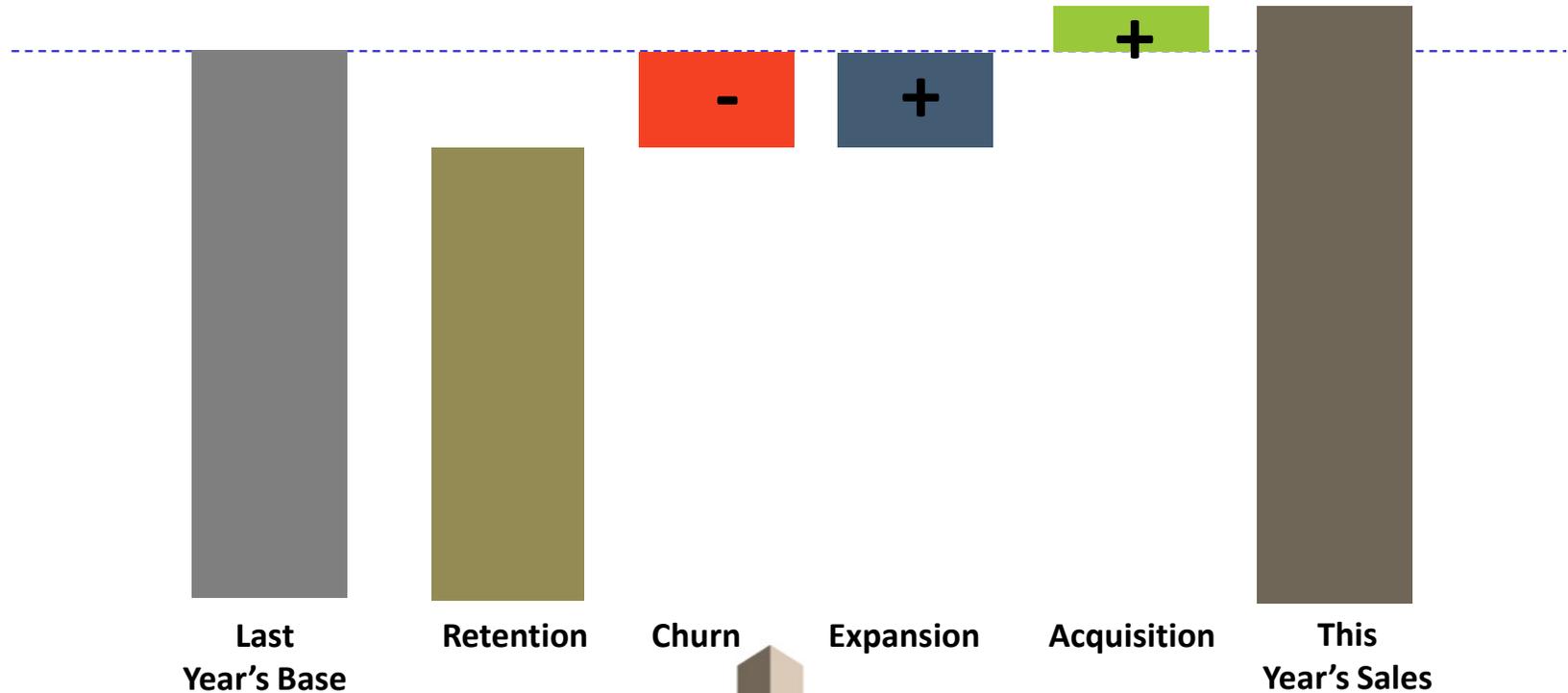
- Acquisition – Getting new customers
- Retention – Retaining existing customers
- Expansion – Selling new products/services to existing customers



# Sales Strategy – ARE Tool

## Looking to the Past to Define the Future

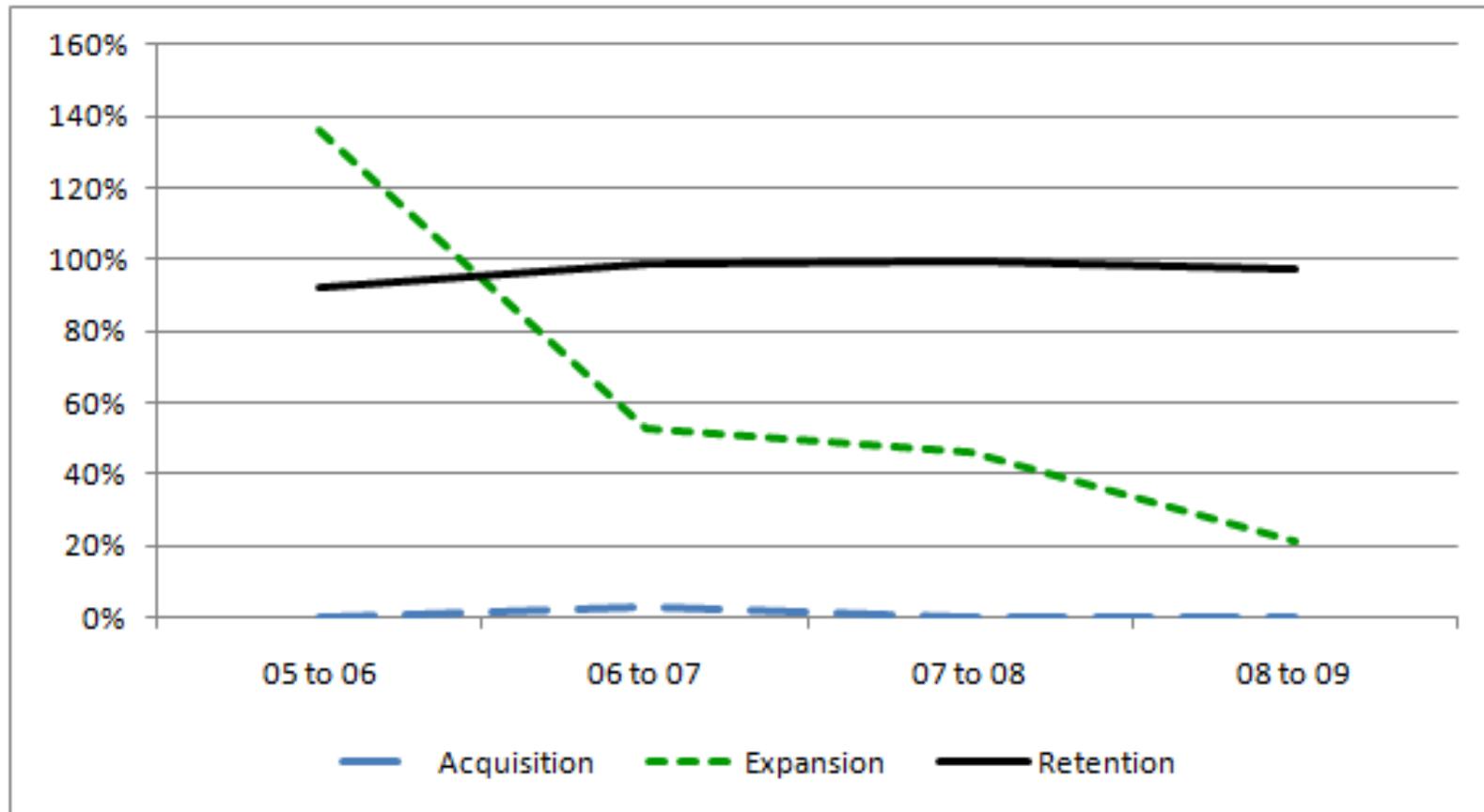
<b>Norm:</b>	100%	85%	15%	15%	5%	105%
<b>Best in Class:</b>	100%	95%	5%	30%	15%	140%



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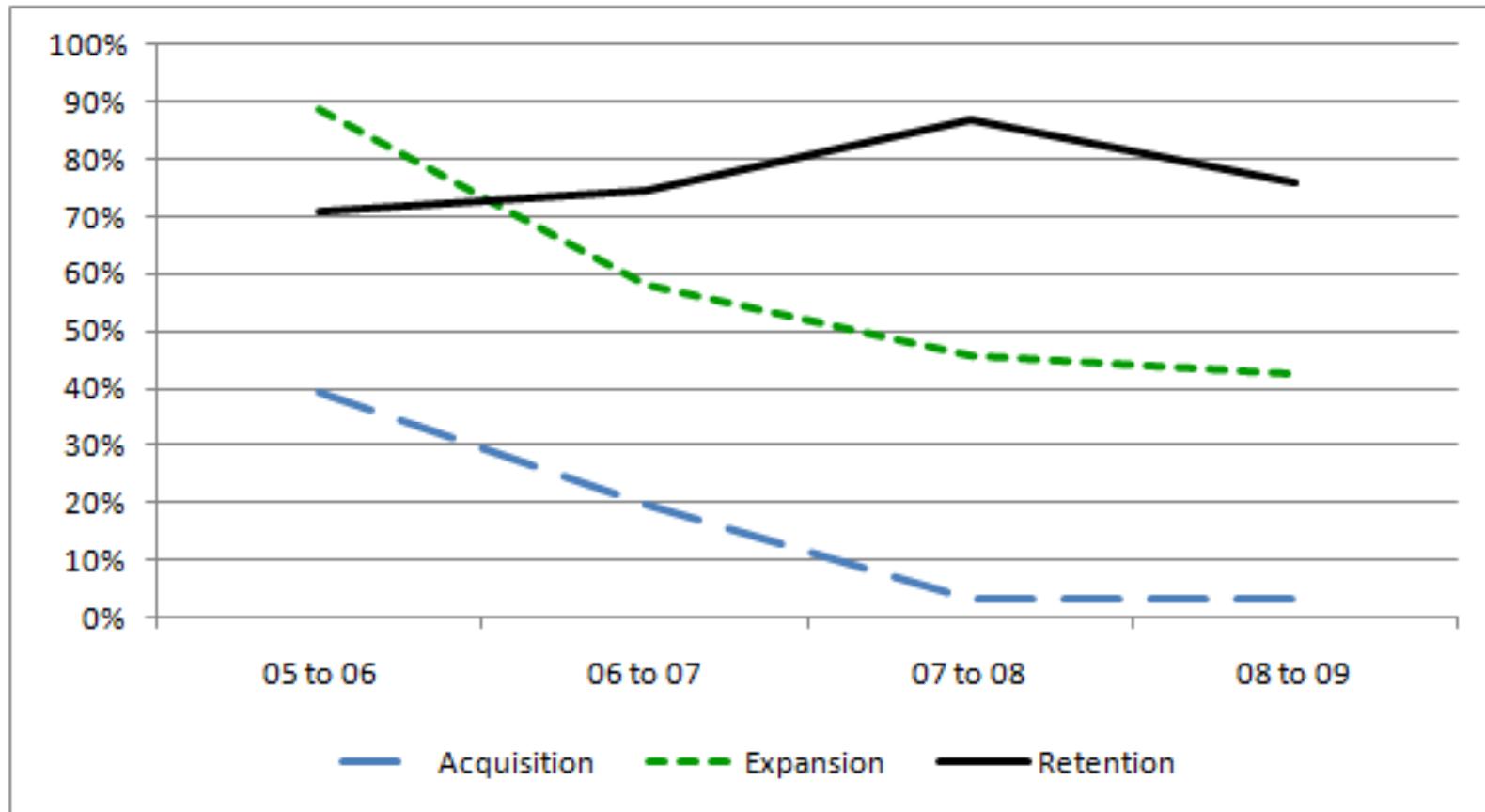
# ARE Tool - Illustration

What Can You Conclude About This Territory?



# ARE Tool - Illustration

## How Is This Territory Different From the First?



# Concluding Thoughts

## If Nothing Else, Please Remember:

1. To define/seek to understand the company selling strategy – visual frameworks help
2. To cascade the selling strategy to your area of responsibility and individual salespeople
3. To utilize analytics ... seek the help of Sales Ops
4. Simple strategy well executed trumps sophisticated strategy that's not executed

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# Discussion

