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# IDEABRIDGE



The IdeaBridge White Paper Series:  
Sales Growth Workshop

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## SALES GROWTH WORKSHOP

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### **Marketing Plan Template**

#### **Summary**

The Marketing Plan is one of a company's most important documents. Properly developed and executed, a Marketing Plan will outline when expenditures will be incurred, what level of sales will be achieved, and how and when advertising and promotional expenditures will be made.

#### **Start the planning process by thinking about the following central business activities:**

- Who are the target customers/buyers?
- How will each product be priced and uniquely positioned in the marketplace?
- What channels, sales vehicles and methods will be used to market the products?
- When will the marketing spending plans be implemented?

#### **The typical structure of a marketing plan is presented below:**

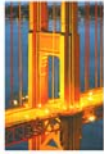
#### **Situation Analysis**

##### ***Macro environment Situation***

- Demographic trends (age, gender, family size, family life cycle, income, occupation, education, religion, race, nationality)
- Economic trends
- Technological trends
- Political Trends
- Social Trends
- Cultural Trends
- Material Supply Trends/Issues
- Expected impact of the Internet on your Business and Industry, both today and in the future

##### ***Market Situation***

- Size of total market
- Growth trend of total market



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- Key elements

### ***Competitive Situation***

- SWOT Analysis Matrix (strengths/weaknesses/opportunities/threats)
- List and description of key competitors and their market positioning
- Size of key competitors in units and revenue
- Market share of key competitors
- Sales trends of key competitors
- Strengths and weaknesses of key competitors compared to your company's product or services
- Marketing strategies of key competitors and their probable impact on your company
- USP – The Unique Selling Proposition. What makes your offering compelling and unique in the market?
- Competitors' likely response to your Advertising/Promotion program and your planned counter-measures

### ***Target buyer or end user situation***

- Description of target buyers or end users in demographic, psychographic, and lifestyle terms.
- Target buyer/end user wants, needs, attitudes, and perceptions of category products and services.
- Where target buyers/end users are located and how you intend to reach them
- Which segments of the total market or category are growing or declining and why

### ***Product Situation***

- Sales per product
- Net profits of each company product line
- Product lifestyle trend (stable? increasing? declining?)
- Cost-of-goods history (3+ years)
- Marketing spending history (5+ years of advertising, promotion, PR spending)
- Distribution trends and developments
- Description of the sales organization



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### ***Distribution Situation***

- Size of each distribution channel
- Importance of each distribution channel to the company in terms of:
  - Percent of company sales
  - Growth potential
  - Competitive status

### **Goals and objectives**

#### ***Major company goals (both short- and long-term goals)***

Financial objectives (described in quantitative terms for at least 3 years)

- Gross sales (increase)
- Cost-of-goods (decrease)
- Gross margin (increase)
- Net income (increase)
- Return on investment

#### ***Marketing goals and objectives (quantitative translations of the company's financial objectives, expressed in marketing and sales results)***

- Sales Revenue
- Unit sales
- Market share
- Distribution levels/channel

### **Marketing Strategy**

- Provides marketing strategy statement
- Gives the key target buyer description
- Competitive market segments the company will compete in
- Unique positioning of the company and its products relative to its competition



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- Price strategy as compared against those of its competitors (direct and indirect)
- Marketing spending strategy (advertising, promotion, market research, focus groups, customer retention plans)

### **Marketing Activities Timetable**

- A detailed schedule listing all marketing, advertising and promotional activities throughout the year.
- The timetable should summarize all activities by month, should list costs and should have a section to indicate response rate and return on investment.

### **Marketing Effectiveness Summary**

- Using the Marketing Activities Timetable, review the effectiveness of each activity through the year.
- Record the costs associated with each program and contrast costs to total inquiries, new prospects and new customers.
- Analyze effectiveness of each activity.



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### **Sales Plan Template**

#### **Summary**

A Sales Plan defines the analysis, planning, implementation, goals and objectives of a company's sales activities. However, many companies will produce a Marketing Plan and neglect to devote adequate resources to establishing a detailed Sales Activity Plan. This template has been designed to help ensure that the major sales activities and functions are included in your planning process.

#### **Overall Sales Plan and Strategy**

- Include quantifiable Growth Objectives, broken down by product, month, sales territory, sales person, etc.
- How will you achieve your sales objectives? What's the big-picture overview of your plan?
- Face-to-face sales presentations/demonstrations.
- Telemarketing (inbound, outbound and customer service response unit)
- Sales Promotion Seminars.
- Trade Show Selling Activities, including projected results.
- Joint Marketing Activities.
- Critical Success Factors that will contribute toward results.
- Other Sales Objectives.

#### **Customer Retention and Loyalty Programs**

- Regular Communication with Customers
- Regular Feedback Sessions
- Loyalty Program for users
- Intensive Care Unit for dissatisfied customers
- Customer surveys
- Other feedback channels to be used



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### **Sales Force Organization**

- How many sales people, managers, division heads? Costs?
- Sales force Organization Chart
- Job Descriptions
- Sales Goals:
  - By Product Group
  - By Region
  - By Salesperson
  - By Month
- Sales Compensation and Incentive Plans
- Employee Recognition Programs/Award Programs
- Orientation and Training of Sales Personnel
- Top-Producer Club and Recognition
- Sales reporting structure and monthly sales report templates
- Monthly Sales Call Reports
- Sales force Training programs and annual schedule of training programs

### **Prospect Management and Lead System**

- Customer Relationship Management System to track all prospects, leads, referral sources, etc.
- Developing a system to consistently produce and track qualified leads

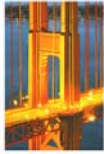
### **Sales Activities Timetable**

A detailed schedule listing all sales activities throughout the year. The timetable should summarize all activities by month, should list costs and should have a section to indicate response rate and contrast costs and return on investment.

### **Sales Effectiveness Summary**

- Using the Sales Activities Timetable, review the effectiveness of each activity through the year.





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- Record the costs associated with each program and contrast costs to total inquiries, new prospects and new customers.
- Analyze effectiveness of each activity as outlined below.

### **Create a Tracking System**

Managers and salespeople need a *tracking system* that allows them to anticipate and forecast new business levels. That strategy should start with setting sales growth targets that are realistic and based upon your sales people's capacity to book new business.

Develop a system to review to consistently improve each month's results by incrementally improving every element of your selling system. Break down every step of the sales process; analyze it and measure it separately. Here's an example:

Once you are sure that the design of your new business development system is logical and capable of delivering results, begin by analyzing the following steps of your sales process:

- The total number of sales leads;
- the number of referrals provided by your referral networks;
- the average number of appointments made by each salesperson;
- the number of proposals or sales presentations;
- the number of signed proposals;
- the number of closed sales and the average sale size;
- The costs to generate each activity listed above;

Finally, determine the gross profit of each sale and contrast that with the cost to create the sale, not only the marketing and advertising costs, but the cost of your salespeople, their managerial overhead and of course, the incentive compensation program. Finally, set-out to systematically improve on each element, beginning with an increase in the number of bonafide leads.



## **Business Plan Template**

### **Summary**

Business planning is a vital component of running and building a successful company. While the planning process is arduous and requires a tremendous amount of time, once the investment has been made, it is quite easy to update the plan annually. This outline is by no means all-inclusive, and it will not apply equally to all businesses. Care should be taken to determine suitability for your particular situation prior to beginning the planning process.

### **General Guidelines**

The guiding principles for writing a sound business plan are:

- The plan must be succinct. It must also be written in a way that is easy to read and understand.
- Your plan has to communicate the strength and depth of your management team.

### **Common Mistakes**

The most common mistakes made in writing business plans are:

- Unrealistic assumptions (especially with respect to growth rate and expenses).
- Underestimating the difficulties in growing a business.
- Underestimating competitors.

## **The Business Plan Outline**

### **1. Executive Summary**

The executive summary is a vital page that gives an introduction to the entire business. Generally, the executive summary is written last, summarizing the salient points of the entire business plan.

Effective summaries will cover:

- The company's origins.
- The product or service and its uniqueness or competitive advantage.
- The concept and underlying business model.
- The company's goals.
- The market potential for the product or service.



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- A three to five year summary of key financial forecasts.
- Results of market research.
- The management team.
- The financing required to grow the business.
- The exit strategy.

### **2. Company Description**

- Business History, Legal Status and Description.

### **3. Mission / Vision Statement**

### **4. Product / Service Description**

- Description of current or proposed product / service.
- Discuss how the product / service will penetrate the existing or developing market.
- Proprietary Features of your product, including any Trademarks, service marks, licensing agreements, distribution agreements or patents.
- Product Development Activities
- If the product is still under development, discuss in detail the current developmental stage of the product and what it will take (time, money, resources) to bring the product to the market.
- Potential Product Liability issues.
- Future products / services
- Discuss logical extensions of the company's product line.
- Discuss future product enhancements.

### **5. Industry Analysis**

- Industry Overview: Global, national and local.
- Your Company's Niche within the industry.



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- Industry Participants.
- Industry Trends and Growth Patterns.

### **6. Marketing Plan**

- Target Market Demographics, Trends and Growth Patterns.
- Market Size and Potential.
- Pricing Strategy and Positioning.
- Advertising Strategy.
- Public Relations and Promotions.
- Marketing Budget.

### **7. Competition**

- Direct Competitors.
- Indirect Competitors.
- Comparison of Strengths and Weaknesses of your company and key competitors.
- Your Competitive Market Niche.
- Market Share Analysis.
- Barriers to Entry.

### **8. Sales Strategy**

- Sales Process Description
- Distribution Channels.
- Service and Warranty Policies.

### **9. Operations Plan**

- Property Ownership / Lease Terms.
- Purchasing Policies.



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- Administrative Procedures and Controls.
- Staffing and Training Plan.
- Labor Considerations (Union/Non-union, labor shortages, etc)

### **10. Management Team**

- Key Management and background.
- Board of Directors.
- Board of Advisors (if applicable).
- Organization Chart.

### **11. Financial Plan**

- 3-5 Year Historical Financials (if applicable)
- Balance sheets/Income statements.
- 3-5 Year Projected Financial Statements
- Balance sheets/Income statements/Cash flow projections.
- Detailed Financial Assumptions are critical and they must be realistic.
- Break-Even Analysis.
- Current Ownership Summary.
- Funding Request / Terms of Investment.
- Sources and Uses of Funds.

### **12. Appendices**

- Product Samples / Pictures.
- Management Resumes.
- Business Location Site Information.
- Legal Documents.



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- Detailed Financials.
- Formal Marketing Plan
- Formal Sales Plan



## **The Pareto Principle and the 80 – 20 Rule**

### **Summary**

Entrepreneurs and CEOs consistently report that their number one problem is 'lack of time to get things done.' Consistent application of The Pareto Principle will lead to dramatically improved productivity. While the rule is not an absolute, one should use it as a guide and reference point to ask whether or not they are truly focusing on the 20% (the Vital Few), or the 80% (The trivial many). True progress results from a consistent focus on the 20% most critical objectives.

In the late 1800s, economist and avid gardener Vilfredo Pareto established that 80% of the land in Italy was owned by 20% of the population. While gardening he later observed that 20% of his plantings yielded 80% of his harvest. And thus was born a theory that has stood the test of time and scrutiny. The Pareto Principle or the 80:20 Rule has proven its validity in a number of other areas.

**In the business world, it has been found that the principle could be applied to many areas, such as:**

- **Applied to Meetings:**  
80% of decisions come from 20% of meeting time.
- **Applied to Managerial Headaches:**  
Roughly 80% of your managerial problems and headaches are caused by just 20% of your problems.
- **Applied to time management and your daily To-Do List:**  
80% of your measurable results and progress will come from just 20% of the items on your daily To-Do list. The major problem is that most people are so busy fighting fires that they never get around to the most vital few activities that will lead to the greatest results.
- **Applied to Interruptions:**  
80% of a Manager's interruptions come from the same 20% of people
- **Applied to product defects:**  
Roughly 20% of the input errors typically cause the lion's share of defects.
- **Applied to Salespeople:**  
Roughly 20% of a sales force will develop 80% of the annual results.
- **Applied to Customer Complaints:**  
Roughly 80% of customer complaints are about the same 20% of your projects, products or services.
- **Applied to Business Unit Production:**  
Roughly 20% of a company's business units will produce 80% of the annual revenue.
- **Applied to Advertising:**  
Roughly 20% of your advertising will produce 80% of your campaign's results. If businesses could only determine which 20% of their advertising was really working, businesses could save literally billions in advertising costs each year.



## **Establishing Performance Standards**

### **Summary**

These detailed Performance Guidelines and Checklist will speed-up your development of performance guidelines tailored specifically to your company's unique culture. This Checklist includes much of the leading thought on establishing a performance-based culture and should serve as a strong guidepost for directing daily actions to ensure that they are consistent with your Strategy. Users of the Checklist need only to check those boxes that they would like to integrate into their own planning.

### **Leadership**

- Consistently work and act in a manner which identifies you as a Leader of the Company. Regularly work to improve your skills as a Leader. Read appropriate books, listen to audio tapes, seek advice and counsel from those leaders which you respect. Review "The Leadership Imperative" regularly.
- Delegate as many of your routine activities as possible in order to free-up time for your leadership responsibilities. Focus on longer-term matters, your Department's goals and objectives, personnel issues, the training and development of your team, recruiting, new business and customer retention, planning, personal growth and development.
- As a Leader in your company, you play a vital role in supporting and maintaining the corporate culture, which can be generally defined as: (See Mission Template)
- A clear focus on our core business of \_\_\_\_\_; Aggressive New Business Development; A strong work ethic; strong cost-control culture; aggressive and proactive customer retention; customer service; teamwork; corporate citizenship; unwavering personal integrity; a competitive spirit; a sense of urgency; a culture that embraces changes with a laser-like focus on building a business and maximizing value.
- As a Leader, you ultimately must take responsibility for any setbacks or failures of the team. However, remember that successes are primarily due to the team's efforts and you should readily give them credit for their achievements.
- Maintain ongoing recruitment for potential hires and maintain a clear succession plan for your business unit.
- Always be thinking several steps ahead. Plan carefully for contingencies and have alternative strategies developed well in advance of potential problems. As a Leader, you are encouraged to come prepared with various solutions, options and recommendations when presenting a problem or opportunity to senior management.
- At times, Leaders must make decisions which are unpopular; have the courage and the common sense to do the "right" thing, not just the popular thing.





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### **Attitude**

- Be open-minded, approachable and supportive of new ideas, programs and the inevitable changes occurring in our industry; your team should maintain a similar posture toward change.
- Maintain a positive “can-do” attitude; be solution-oriented and creative. Look for solutions and alternatives rather than the easy decline. Give projects your full support, rather than just going through the motions with lukewarm compliance.
- Avoid being defensive toward well-intentioned advice and constructive feedback, ideas, concepts, alternatives, etc. Do not pretend to know things that you do not; encourage your team to maintain a similar position.

### **Teamwork, Cooperation and Respect**

- Remain cognizant of the fact that everyone is on the same team; support, respect and cooperate with all of your business units and support departments. As conflicts arise, seek quick resolution through a candid discussion of the issues rather than firing-off heated E-Mail messages.
- Consistently act and perform in a manner which supports and encourages teamwork and the accomplishment of Department Goals. Work diligently at fostering team spirit, not only among your direct reports, but also with the support staff, operations groups and others which assist your team.
- Leaders don't participate in office politics, backstabbing, gossip or other loose chatter; and they don't permit it from anyone on their team. Be known as the person who is always supportive of other BUSINESS UNITS AND regions, departments and employees.
- Ensure that your team actively supports other departments and regions by referring opportunities wherever appropriate. Further, ensure that your team maintains excellent working relationships with all of our support groups at all times.

### **Setting Standards and Monitoring Performance**

- Consistently exemplify and adhere to our industry's highest standards of integrity, customer service, courtesy and professionalism in all your dealings with employees, support staff, customers, referral sources and prospects.
- Set the standard and a consistent example of personal responsibility and accountability. Make it crystal clear that you will accept nothing less than the highest ethical standards.
- Give employees continuous feedback about their progress as measured against their annual plan and the Department's annual goal. Promptly advise your manager of any potential performance problems or issues. An employee who is “surprised” at their year end review is a personal failure. Yours. I don't ever want to hear about performance issues unless you have first discussed it with the employee.



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- Set high standards for your team and hold them accountable for their commitments to you. Maintaining high standards leaves no room for third and fourth chances or “beating around the bush.” You must be fair, supportive and show them how they can be successful, but your feedback must also be timely and candid.
- Provide account officers with quick, accurate feedback regarding shortfalls in their performance and effectiveness, then explain exactly what is expected for them to improve. If improvement is not seen or is stymied by a poor attitude, a formal (written) counseling must be performed with the assistance of your manager and the Human Resources Department.

### Improving Productivity

- A unit which falls behind Plan for any reason must quickly develop a realistic Action Plan for improving the situation. It’s not enough to say, “We’ll look into it.” We must have a specific plan with action-items and a timeline for its achievement.
- Focus on improving productivity and set reasonable deadlines that your team must adhere to. Quickly act to clarify expectations and responsibilities of anyone who is not performing to expectations. Make it clear to the team that they will not be measured by the hours that they work, but rather by the level and quality of their productions.
- Constantly review the Goals, Performance Guidelines and our objectives with the team so that everyone remains focused on the Department’s agenda. Teach your team to concentrate on staying focused on the most important tasks that will yield the greatest tangible results for the Department.
- Teach your team to maximize their time and efforts by focusing on those opportunities where you have the best chance of landing the business, rather than spending time on “long shot” deals. If a deal is clearly outside the parameters of what you’re comfortable with or willing to do, pass on it quickly!
- Encourage your team to constantly suggest ways to improve our process, increase productivity and reduce costs. Regularly solicit ideas from your team. Encourage your team to embrace new ideas which could reduce costs, increase efficiency or improve productivity.

### Communication

- Remember that as a Leader, your employees will be watching you very closely. It has been said that up to 80% of communication is non-verbal. Be constantly mindful that your attitude, pace, style, frame of mind and your reactions to daily situations will have a dramatic impact on the people you lead.
- Keep your manager constantly informed about all important issues occurring in the Department; never cause your manager to be surprised or caught-off-guard; keep him informed.
- Employees can’t perform effectively until they know exactly what is expected of them. Don’t leave your team to figure out things on their own. Get rid of ambiguity and nail down every person’s responsibilities with clarity and precision.



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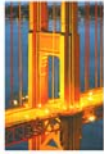
- Communication gaps can cause you trouble, so don't leave an information vacuum. Bad news, rumors and gossip will fill the communication void. If you get lazy or careless about communication, your team will lose their bearings and will start to drift. In times like these, even no news, is news.

### **Personal and Team Development/Training**

- Continually improve your leadership, sales, time management, negotiation and planning/organizational skills. Seek advice, seminars, books and classes to ensure that your skills are among the best in the industry. Be proactive in seeking the same for your team.
- Teach your team to plan several months ahead in order to leave plenty of time for unexpected problems. During times like these, the pace quickens, work moves at a faster tempo and problems can hit in a hurry. You need to be in a position where you are nimble and have built some flexibility into your schedules.
- Work with your team to get them comfortable with negotiating deal structure, pricing, fees etc. Be proactive in demonstrating how you expect your employees to serve our customers and negotiate with prospects.
- Work alongside your team to support them in their efforts to ensure that 100% of all existing desirable relationships are retained.

### **Unacceptable Business Behavior**

- Failure to meet commitments...any commitments, whether it's a one-page memo or a \$20 Million sales goal, commitments must be kept.
- Failure to immediately face reality if commitments are impossibly behind.
- Making excuses for your people or for your lack of performance.
- Failure to quickly deal with employee issues.
- There will be no bootlicking or apple-polishing – Forget it! Sucking-up to the boss, any boss, is forbidden here. There will never be favoritism based on favors, so save your time! Recognition will be squarely based on having a great attitude, a strong customer orientation and results. Period.
- There will be no excuse for being late to meetings.
- Passing the buck or saying, "It's not my job!"
- Playing any kind of company politics or the formation of internal cliques or turf zones.
- Backs-tapping, loose chatter.
- Shoddy analysis, "half-baked" proposals and lazy-thinking. (Come prepared or reschedule!)



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- Lack of candor. Weasel language. Failure to tell it exactly as it is.
- Shading the truth or Rounding-the-Corners.
- Failure to promptly and immediately deal with problems.
- Failure to put the customer first in our decisions.
- Failure to properly balance customer requests with our need to make money.
- Asking your boss to make *your* decision.
- Long-winded memos and write-ups. (Get to the point. Be succinct. Be intellectually honest and be direct.)
- Excuses of any kind. Take full and complete responsibility for your team and yourself. Accept the consequences for your actions and quickly move on.
- Wasting time. Anyone's time...yours, your bosses, a co-worker's, a customer's. Do not waste anyone's time.
- Any kind of favoritism or allowing emotion drive decisions, rather than sticking to our chosen strategy.
- Back-office politics, gossip or scheming to revenge a political enemy within the company.
- Failure to immediately deal with deteriorating situations.
- Failure to aggressively negotiate on behalf of the company for rates, fees and terms. Never leave money on the table because you are too timid to ask.
- Wasteful or unnecessary expenditures of any kind.
- People who are too timid to say, "No!" to vendors, sales people and solicitors of any kind.
- Turf building, turf protection, empire building of any kind.
- Not treating everyone in our company with care, kindness and respect for their opinions, regardless of title.
- The filtering of information up through the ranks. Anyone can talk to anybody at this company. Period. Do not prevent people from going over your head, their direct opinions, unfiltered are always welcome.
- Covering up a bad situation with fancy charts, colored graphs, long memos, etc. Get straight to the bad news and lay-out your recommendations while you've still got time. But never, ever, hold-back the bad news. Give it to them straight.
- Failure to be proactive and to plan ahead.



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- A sour, bad attitude that is detectable over the phone or in face-to-face meetings with customers is completely unacceptable.



## **Advertising and Marketing Effectiveness**

### **Summary**

A small business cannot afford to pursue the common marketing methods they see the large companies using. Entrepreneurs should not just blindly hand-over the responsibility for growing their company to an advertising agency. When looking for help, try to find a firm that shares your philosophy. Use the checklist below to identify what you agree with, and then begin your marketing plan or agency search accordingly. After all, the bottom line of marketing is growing your business on a cost-effective basis, not creating cool ads.

### **The Role of Marketing**

- You don't make any money until you sell the product and you can't sell the product until you've gotten people to want it. And that's what good marketing does. Marketing is a strategic activity and a discipline focused on the endgame of getting more people to buy your product more often so that your company makes more money.
- Marketing must be tested and measured and held accountable just like any other investment. Find out what marketing investment gives you the greatest return, and spend your money there. Ultimately, a marketer's goal must be to maximize the company's return on investment.
- Marketing is a science. It is about experimentation, measurement, analysis, refinement, and replication. You must be willing to change your mind if the data indicates that what you are doing is not working.
- Once you understand and agree that there is a direct relationship between marketing and getting customer to buy your product, you will see that it's not optional. It is, in fact, a company's most essential activity. And if marketing is not at the very essence and core of your business, you are doomed.

### **Marketing is About Results, and Results Must Be Measured**

- Marketing must be measured. It must be accounted for. Marketing spending must generate incremental earnings in excess of the costs to generate those earnings. Just as new salespeople are expected to produce incremental volume and profit, marketing expenditures should be no different.
- Above all, marketing is about results. You must produce measurable results that sell more product and improve the net income of the company.
- Marketers should use the same financial tools that companies use to measure results of any other business unit. Your expenditures must be tracked and measured to determine what's working and what isn't. If someone tells you it can't be tracked and measured, find another marketing vehicle.
- You should always perform a cost-benefit analysis of every marketing program, big or small, on up-front and a post-mortem basis. You must rigorously track the results and measure the returns. PLEASE, read this again until it really sinks in.



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- If your marketing guy tells you how great a program is going to pull, tell them to put it in writing prior to authorizing the event. Then, on a post-mortem basis, pull out the written commitment and see how he really did. 8 out of 10 people will be totally amazed at the huge difference in projected vs. actual results!
- Marketing is about experimenting, measuring the results, analyzing them and then making adjustment based on what you find out. Assume, experiment, review and revise. This is the Marketer's mantra.
- The singular goal of marketing must be to get more people to buy more of your product, more often, in order for your company to make a material return on the investment required to generate that incremental sales volume. Re-read this statement until it completely sinks-in. Memorize it.

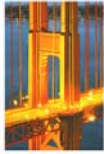
### **Marketing Must Generate a Return on Investment**

- The only job of your marketing people is to develop methods to get more people out of their houses to buy more of your products at a margin that more than compensates for your costs to generate their purchases. Period.
- Marketing must move people to action. Popularity and mind share is not the objective. You don't want "virtual consumption" you need actual purchases! You shouldn't care a lick about winning awards. Your goal is to win profitable customers. Convincing consumers to buy your products is the only reason a marketer is in business and the only sane reason that a company should spend any money at all on marketing. Those who disagree with this most vociferously, are those people who love to make "cool ads" but who hate to be held accountable for results!
- If your marketing guy says, "Well you just can't look at advertising and marketing from a dollars and cents standpoint because you can't measure this kind of thing," you should immediately run! You can't stay in business long enough to pay his inflated bills if you don't have enough new customers buying your products!
- Every campaign, every new employee, every purchase of new equipment or mailing list, every new campaign and every promotion should be treated 100% as an investment that must pay a return. Every marketing nickel you spend should be profit producing.

### **Developing a Marketing Strategy**

- What's important is to build a strategy that is strictly focused on doing things that will increase profits by getting customers to buy more products. The strategy you choose is your roadmap and it has to come first, because the strategy is what determines the tactics that you need. Everybody in the company needs to clearly know what the strategy is, so that they can make decisions and take actions that are consistent with the strategy and that take you ever closer toward your goal.
- It is much more efficient to build relationships with existing customers than it is to convince someone to drop their existing supplier and start using you. Any marketing strategy that fails to devote resources to customer retention and expansion is incomplete.





## SALES GROWTH WORKSHOP

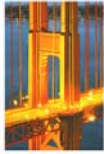
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- Focus on smaller and smaller segments of the market and then tailor your offering to meet their needs (niche marketing). There will always be room to make teeth whiter, breath fresher, hair softer and pain relief faster. Just find the desirable attributes of your product or service and make the improvements that will allow you to dig deeper into your market and improve your existing customer relationships. Remember: Sameness doesn't sell. The value of your service will be determined by its differentiation from the competition in ways that are relevant to the consumers.
- Before entering any new market, you first have to consider whether there is willingness or need on the part of consumers to buy your product. Concentrate on those markets with the greatest potential and do not spread your resources too thin. The experts all seem to agree that your existing market tends to produce better results than entering new markets. You have a better chance of selling more products to existing customers than you do to total strangers in a new market.

### **Marketing is Not About Creativity and “Cool Ads”**

- Traditional marketers pay way too much attention to creating images and not enough to selling stuff. Marketers are making a big mistake when they hide behind the concept of building images and brand awareness so that they won't be held accountable for producing product sales. It's pure baloney to suggest that marketing isn't about selling products and making money. That's all it is!
- Marketing has very little to do with art or creativity, and everything to do with facts and figures and science and data. One has to analyze the results and without hesitation, understand whether the assumptions were right or wrong, and change them if necessary.
- Your goal isn't to intrigue or to entertain your prospects and customers, your goal is to sell them more product, more often and at higher prices. To track this success, focus on your conversion rates. Remember always, you are in the profit business, not the volume business!
- You may have cool ads that everyone talks about and you may even win an award, but if you aren't moving more product, you've failed. Period. Ultimately, the rubber meets the road at the cash register.
- Top-of-mind awareness doesn't always equate to sales. Further, small to mid-sized companies simply cannot afford to generate mind share. So forget about rolling fields of wheat (Infinity ads), singing frogs (Budweiser) or Joe Isuzu (car ads). These campaigns were very well known, and for tens of millions of dollars, generated a lot of talk. However, they all failed to generate sales despite advertising expenditures in the tens of millions of dollars.
- For small to mid-sized companies, marketing should be about moving products and selling services, it's not about creating some ethereal image or mystical share of mind that cannot readily be translated into increased sales revenue and bottom-line earnings.





### **Developing a Business Strategy**

Strategy is about choosing different ways of competing that are not necessarily good for everybody, but that are uniquely good for you, in your company, given the particular market outcome you aspire to achieve.

The essence of strategy is tradeoffs - making choices about what you won't do, in order to do other things uniquely well. The weakness of many companies is that they lack the discipline to limit themselves to competing in some business segments while avoiding others. They react to pressure to broaden their position without considering the strategic impact. Many small business owners think that offering every conceivable product or service somehow creates a competitive advantage. We *fundamentally* disagree with that premise. Here's why:

Everyday, you and your employees are making choices - about how to spend your time, about what to say to individual customers, about whom to call on - and those choices are going to be either consistent or inconsistent with your chosen strategy. It's essential that everybody's choices are consistent with your strategy, and that means the strategy has to be constantly reinforced through lots of communicating...by *you*.

Ultimately, sustainable competitive advantage comes from being different. Essentially, what one must ask is: "How can we, by limiting what we do, by not seeking to serve all customers, by not seeking to offer every product, by not seeking to enter every geography, how can we, by limiting ourselves, be unique?" That is the essential strategic question you alone must answer. Then, you and your senior team must be diligent enforcers of those strategic limits.

The strategic mindset understands trade-off. The strategic mindset is willing to sacrifice customers. The strategic mindset is willing to forgo making customers happy if they're not profitable customers. The strategic mindset is willing to give up on opportunities for growth if they are not consistent with the strategy.

This means that you must learn to say "NO" - *a lot!* In any organization, there are countless opportunities to invest money, to incorporate new technologies, to add new features, to chase a new market segment, to respond to a competitor. There is constant pressure from all directions, to blur, homogenize, and imitate in the name of "opportunity." So, while you are developing and reinforcing your strategy - communicating how you are different and what you are willing to give up in the name of strategy and focus- you must also have the self-discipline and courage to be the enforcer of those limits. Only by setting limits can you truly be unique. Without being unique, you will have no competitive advantage.

The hallmark of strategic thinking is making those crucial tradeoffs. You must have the willpower to turn away some customers, pass on some opportunities and abandon some markets in order to focus on what you do best. Small business owners don't like to hear this, because in the short term, sticking to a core strategy may constrict growth. But those who have the guts and determination to focus on the areas where they have a unique competitive advantage will build a much stronger, and ultimately, more successful company.



## **How to Grow In Stagnant Markets**

### **Summary**

Those companies that consistently report double-digit growth, even in stagnant markets, are a different breed. They do different things. They reward differently. Their Leaders say different things. But as much as they differ from the laggards, the double-digit growth companies share amazingly similar traits with one another. Here's how the winners continue to grow:

### **Leadership and Communication**

The mindset of growth starts at the top. Leaders of profitable growth companies have an entirely different thought process from those who just maintain businesses. They are realists – they see the world as it is, not the way it used to be or the way they'd like it to be. They constantly challenge the status quo, looking for new opportunities and ways to do things better. They're proactive, and they move fast. Most of their discussions and meetings focus on how to dramatically increase their growth.

Your role as a growth-oriented leader can't be for stability, predictability, or policy conformance. The passion of leadership has to be to 'grow the business!' You've got to wake up every day thinking about how you are going to grow your business, generally at the expense of your competitors. You've got to be very hungry and focused.

Leadership—at all levels—is the key. Business development is everybody's responsibility. Leaders of growth companies work as hard at transforming the thinking of their organizations as they do at anything else. The focus must not be on 5% or 7% incremental growth, but on *quantum-leap growth*.

Growth is a mentality created by a company's leadership. It starts with the spark of a new point of view, and it catches fire when everyone acts with a bias toward growth. Leaders with the growth mindset turn dying enterprises into thriving ones; conversely, when companies get off track, it's largely a leadership problem.

Growth must be in your mental architecture. It must be how you're wired. Your leaders must energize their people with the same restless ambition, teaching them to build the business and look for new opportunities. In the daily dialogues throughout your company, the loudest decibels should be about growing.

### **How can we grow when our industry is mature?**

Well first, there's really no such thing as a mature business. Any company of any size in any industry – no matter how "mature" the industry – can grow, once its leaders learn how to look beyond their traditional definitions of industry and markets.

Growth often starts only when a company's leadership breaks the lockstep thinking that has driven strategy for years. Every growth curve must flatten-out sooner or later. The ultimate tests of a company's leaders is how well they anticipate that moment and respond to it by finding new sources of growth.

In a growth company, the dialogues and working relationships are 180 degrees different from those simply focused on retention. The mental architecture of profitable growth rules at all levels. People are



## SALES GROWTH WORKSHOP

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learning where the sources of growth lie. They are curious about new markets, new needs, new technologies, and they talk about them with one another. Everyone shares ideas and best practices about growth.

However, one must recognize that not all growth is good. Growth at all costs, or growth for its own sake, can be a recipe for disaster. Good growth is sustainable, profitable, and capital efficient; don't confuse it with feverish spurts of volume that ravage earnings or steal from the future. After all, do you really want to rent market share, in the form of getting it simply through price? You'll lose margin and then you'll lose the customer as soon as the next lowest price bidder shows up. What you want is 'good growth.'

Good growth is profitable and capital efficient and it more than repays the money invested in it. Whether your business is growing fast or slowly, whether it's big or small, there is just one criterion, one simple fact you need to determine: What's the return on my investment? Many sophisticated executives don't think enough about return on investment.

### **Corporate Culture**

The distinction between growth companies and "also-rans" starts with leadership. Growth companies' leaders create operating mechanisms, behaviors, attitudes, and dialogues so deeply ingrained in the corporate culture that it becomes part of the company's genetic code. For any growth strategy to work, changing the genetic code is essential.

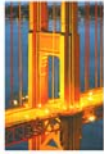
The code originates with the company's leaders – their thinking and behavior send signals and cues that set the pattern for everyone else to follow. In time, these become the organizational "genetic code." They influence how people think and behave in all areas of their working lives, from how they look at opportunities to how they work together. In the end, they determine whether the company grows or not.

Changing the genetic code is a major challenge for any company. The old code embodies the thinking of past leadership, and its pull is surprisingly powerful. The new code has to be consciously created and agreed-upon by leaders who must go out and constantly reinforce the new culture.

An early challenge for a company's leadership is to define a growth trajectory so that everybody in the company can understand it, from the directors to the front-line employees. Any new trajectory will have at its core a central idea. Not just a slogan. A "central idea" is a clear, robust, and purposeful statement that summarizes your strategy and growth goals. It can usually be stated in less than five sentences; it creates a picture that everyone can visualize.

Corporate culture (or 'the way we do things around here') tends to endure through generations of management, and can play a huge role in determining a company's success or failure. People tend to be heavily invested in the past; it has determined their rewards, their career paths, even their identities. Left untouched, old reflexive behaviors will defy any new direction imposed from above. Change efforts to reposition a company toward growth most often fail because the leaders fail to fully comprehend the pervasiveness of the genetic code. The sum of those hundreds of thousands of transactions – what decisions get made, how they get made, who makes them, and when they are made – determines whether a company is going to grow, remain stagnant, or simply fail.

The basic building block for a genetic code of growth is the leader's teachable point of view on growth. It includes the business ideas that drive balanced growth, the ideas that support it, the leader's ability to energize people around growth.



## **Supercharge Your Business Performance**

### **Creating a Sales System to Develop New Customers**

- Chronic new business problems are generally related to bad systems, plans or budgets. The search for strategic solutions begins with analyzing, evaluating, and validating every individual step in your new business Process/system.
- Once you are sure that the design of your new business development system is logical and capable of delivering results, you must look at the number of leads, the number of referrals to and appointments with prospects, the number of proposals, the number of signed proposals, the number of closed sales, and the average sale size. Then you must set out to systematically improve on each element, beginning with an increase in the number of tangible sales leads.
- Take immediate action to consistently improve each month's results by incrementally improving every element of your selling system. Break down every step of the sales process; analyze it and measure it separately.
- Managers and sales people need a tracking system that allows them to anticipate and forecast new business levels. That strategy should start with the managers setting sales growth targets that are realistic and based upon your sales people's capacity to book new business.
- Changing your people will do nothing to improve a fundamentally flawed selling system. The first step in managing new business is not training, hiring, pay plans, better prospect lists, or even better management. It's the design and validation of the entire company-wide new business process.
- Discover the decision making process early. Salespeople must learn who makes the final decision, who is on the approval committee, who signs the proposal, when they'll decide, and what criteria they'll be using to make their decision.
- Remember that anything but a resounding "Yes" is a "No." "I will think it over" is a "No." "I will get back to you tomorrow" is a "No." "You are the best I've seen yet" is a "No." All these put-offs mean that the customer is not convinced yet – so keep pushing for the "Yes!"

### **Developing a Core Competency & Strategic Advantage:**

- Competitive advantage must grow out of what your company is especially good at – your "core competency." Core competency may reside in a special capacity, a distinctive approach to the business, or a unique access to resources. Competitive advantage may also be created by changing the way your company does business. Unique or distinctive customer benefits must be generated and supported by hard-to-copy competencies. No sustainable competitive edge, no sustainable profits.
- What do you do well that results in unique or distinctive benefits that your customers are willing to pay for? What is your competitive edge? What are you doing to strengthen it? What could we be doing to create advantage?



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- Your task is to leverage one or more of these core competencies into an advantage in the marketplace. You need to make sure, to whatever extent possible, that your competitors cannot easily duplicate that advantage. Leaders have the primary obligation to ensure that your company builds and strengthens its core competencies in order to protect and sustain your competitive edge.

### **Tracking just the “Vital-Few”**

- What are those few success factors that separate the winners from the losers in your industry? What disciplines or activities directly impact volume, margin, cash flow, and return on investment? The key is to identify these “drivers” and to measure them frequently. Tie goals and compensation to these drivers.
- There is nothing so wasteful as tracking and monitoring with great efficiency that which does not have to be tracked at all.
- You must make sure you have timely, accurate, relevant, and understandable methods of measurement. Without good and timely measurement, it’s difficult to think clearly and respond proactively to issues.
- A critical component of measurement is a performance feedback system that regularly, consistently, and clearly communicates goal status to those who are accountable.
- One caution: With computers, it is easy to develop cumbersome and complex measurement systems that seem to capture every bit of information about every activity. But don’t confuse raw data with useful information. Measuring too much is as dangerous as measuring too little. Focus your measurements by narrowing their scope and limiting your presentations to those critical performance issues.
- Always look to improve your results by reducing the time cycle for each major element of your business.

### **Face Reality:**

- The Habits of Highly-Effective Leaders are:
- Measure the right issues. (Focus on the Pareto Principle: The 80/20)
- Gain leverage by focusing limited resources on core opportunities.
- Align your operations with your strategy.
- Design business systems that accommodate ordinary people.
- Hire the best and deal with people as they exist, not as you would prefer them to be.



## SALES GROWTH WORKSHOP

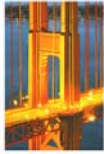
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- There are never enough resources, no matter what the size of the company. Focus and clarity are the keys to getting things done with limited resources. Have you recently helped your team stay focused by regularly reviewing their plans and progress toward their goals?
- Do not confuse personality, effort, long hours, style, strong credentials, attendance, or effective communication with performance. Focus on results, measure results, discuss results, strategize on results, and reward results. Top management and the company are evaluated on the results produced, so that measurement should permeate your company. If you teach your team nothing else besides ethics, teach them to get results.
- Focus most of your resources on tomorrow's opportunities versus yesterday's problems and choose the bolder route when faced with equally-viable alternatives.
- All systems and projects have to be broken down into bite-sized chunks so that an average employee with a good effort and proper direction can perform the tasks successfully. The objective of a cost-effective organization is to create extraordinary products and give extraordinary service with ordinary people. When ordinary, caring people fail regularly at a particular task, it probably has more to do with a faulty system than a faulty person. Develop your strategies accordingly and organize the work and systems to make employee's weaknesses irrelevant to their performance.
- Master the skills of: directing your team's efforts toward the right issues, of gaining their total commitment, and breaking complex business issues into their basic elements. Stay focused on the key issues that are central to your company's success.
- Management must always be aware that their incremental judgments regarding how much good a particular project will do, might be misleading. The bottom line in making a strategic decision about a resource is determining how much good it will do (in relation to its cost) compared to all other projects being considered. Test each project for its fit and operational alignment with your overall strategy. Remember that a strategy defines the negative decisions of what you will not do or will not offer as much as it identifies the positives.

### Leadership Maxims

- The secrets to leadership are passion, motivation, ethics, courage, communication, judgment, and insight. Passion supplies the energy, motivation attracts the followers, ethics generates trust from all constituencies, courage provides the backbone needed to make tough decisions, communication drives-home the message, judgment supports good decision-making, and insight provides the capacity to select the right people, the right role for yourself, the right goal, and the right strategy.
- Do the managers in charge have the right strengths for the job? A high percentage of all chronic performance problems are due to assigning someone to the wrong job.
- As a leader you should have the courage to fight for your beliefs, the intellectual honesty to change your position in the face of new facts, and the grace to forgive your political opponents.





## **Creating a Sales System That Works**

### **Summary**

Selling opportunities are lost daily by companies who lack a consistent system for prospecting, selling and closing new business. Any company that takes the time to develop a systematic approach to selling by documenting their process and tracking their results will see dramatic improvements. While most entrepreneurs will never take the time to document their sales process, those that follow the steps outlined below will be well on their way to dramatically enhanced sales results.

- Changing your people will do nothing to improve a fundamentally flawed selling system. The first step in managing new business is not training, hiring, pay plans, better prospect lists, or even better management. It's the design and validation of the entire Company wide new business process.
- Chronic new business problems are not always related to the people, and oftentimes are the direct result of poor systems, plans or budgets. The search for strategic sales solutions begins with analyzing, evaluating, and validating every individual step in your new business process/system, including the product or service offering.
- Once the design of your new business development system is logical and capable of delivering results, you must analyze the number of leads, the number of referrals, the appointments with prospects, the number of proposals, the number of signed proposals, the number of closed sales, the average sale size. Then take a look at the gross profit of each sale and contrast that with the cost to create the sale, not only the marketing and advertising costs, but the cost of your salespeople, their managerial overhead and the incentive compensation program. Finally, you must endeavor to systematically improve on each element, beginning with an increase in the number of bonafide sales leads.
- You should take immediate action to consistently improve each prior month's results by incrementally improving every element of your selling system. Break down every step of your sales process; analyze it and measure it separately. Your sales manager or marketing manager may be tasked to complete this step.
- Managers and salespeople need a tracking system that allows them to anticipate and forecast new business levels. That strategy should start with the managers setting sales growth targets that are realistic and based upon your sales people's capacity to book new business and your internal staff's ability to process the new accounts.
- Take a long hard look at your sales force. Salespeople must be trained to ask: "Who makes the decision? Who is on the approval committee? Who signs the proposal, and when will they make that decision? When they are making the decision, what criteria will they be using in their evaluation of the various proposals?" Too often, salespeople are too timid to ask the tough questions, resulting in wasted time and lost opportunities. Timidity and lack of proper questions is costing businesses untold millions in lost opportunities annually.
- No battle plan survives contact with the enemy. This is an iterative process. There will always be constant fine-tuning and adjustments based on the results of the system. The improvements should never stop because this process involves constant feedback in your scheduled reviews of the prior month's results.



**Strategic Planning Questionnaire and Employee Survey**

**Sample Letter Format and Questions for Strategic Planning Session**

Dear Participant,

You have been selected to help craft the future of our company.

On [enter the date and time], you will be participating on the team that will be developing the Strategic Plan to guide our company's efforts over the next several years. Your active and candid participation is essential in our planning process.

Attached you will find a detailed worksheet that will be used in our planning process. Please answer the questions completely and provide attachments or other detail as you see fit. Your responses will not be viewed by me and I will not see the results. Rather, you will forward your responses directly to our facilitator. The facilitator will consolidate all the comments and responses for your planning meeting.

As an important member of our team, you have valuable insight that we can all benefit from, so please be absolutely candid in sharing your thoughts and ideas on how we might improve our company.

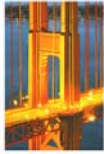
The worksheet must be completed by [ insert deadline ] .

As we look toward our future, I am energized by the exciting opportunities that we will uncover through this process. Your participation is vital and greatly appreciated.

Sincerely,

[Insert name]  
President





**SALES GROWTH WORKSHOP**

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**Strategic Planning Worksheet**

1. What should our company look like in three years? What services should we be providing? Will we have more employees; will our company be twice the size? Share your thoughts about where you think we should be headed and what we'll look like once we've arrived.

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2. List three external or internal factors that you believe could hinder our growth or your vision of our future.

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3. In a bullet-point format, please list all major projects or business initiatives that you or our team are working on. Just list the project or initiative, don't give too much detail, but be sure to list them all.

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4. Go right back up to the answers you just provided above.

- Step 1: Circle those projects or initiatives that could be a new source of revenue for OUR COMPANY.
- Step 2: Cross off (but do not erase!) those that you believe are a total waste of time or money.
- Step 3: Put two stars next to those projects that are simply "political" in nature. What we mean by "political" is that they really add no value to the company or to our clients, but for some special reason, we find ourselves working on them.



**SALES GROWTH WORKSHOP**

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5. How do our clients perceive our company? What are they really saying about OUR COMPANY when we aren't around?

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6. What do you believe should be our Top three Strategic Initiatives in 2000? Be specific, but only list the top three most important for the future success of the company.

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7. Describe the culture of our company. What do we, as a company, hold as our important attributes?

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8. How would you characterize communications at our company? Direct? Insufficient. Adequate? How could we improve?

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9. What are the three primary strengths of our company?

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**SALES GROWTH WORKSHOP**

10. What areas of the company are we weakest? How could we improve? Please give specifics.

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11. List three additional markets that we are not serving which could be entered using our strengths.

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12. What kind of work are we best at and in what areas do we clearly perform better than our competitors? In what areas do we truly have a unique competitive advantage over our competitors?

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13. What geographic areas should we service?

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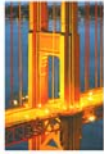
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14. Should our company have a marketing and sales focus? If so, who should lead that effort? Does this require a full time effort by a business development team, or can we all share equally in the responsibility to grow our company?

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**SALES GROWTH WORKSHOP**

15. Should our company have a defined bonus and incentive plan that is based on results? If so, how might such a plan be structured?

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16. Should employees receive an annual review that outlines specific objectives and ties any potential salary or benefit increases directly to achieving measurable performance objectives?

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17. Other than salary and bonuses, are there other compensation or benefit programs that we should be offering? Please be specific?

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18. If we had to double our business in 5 years, where would we focus and what would we do?

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19. If you were named CEO of our company, what three reports, policies or programs would you immediately eliminate? Why?

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**SALES GROWTH WORKSHOP**

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20. If you were named CEO of our company, what three programs projects or initiatives would you immediately launch? Why?

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21. If you owned 100% of the company, and all profits or losses were yours alone, what changes would you immediately make?

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22. Rank the services we provide, best to worst. Which services have the greatest opportunity for long term growth and profits?

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23. Describe our toughest competitor. What makes them so hard to compete with.

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24. What areas of expertise do you feel we are lacking?

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**SALES GROWTH WORKSHOP**

25. What constitutes "good service" in the minds of our clients?

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26. How important do you feel computerization is to our clients?

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27. What tools would you like our staff to have to aid them in their work?

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28. Do you feel we need more decision makers? More workers? Or both?

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29. Do you use E-mail? The internet? How? How does our company rank in regard to the use of technology?

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**SALES GROWTH WORKSHOP**

30. How could we better employ technology as a tool to improve productivity in the company?

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31. List the most important traits we should look for when hiring new people to work for our company.

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32. Identify the specific positions we need to fill, add or replace to improve our company.

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33. What traits should people in these roles have?

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34. How do our benefits compare with other companies? How could they be improved? Be specific.

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**SALES GROWTH WORKSHOP**

35. Identify one thing we could do better today to improve the human resources effort in our company.

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36. Do our people really know what authority level they have?

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37. Suppose you were given 90-days of unlimited authority to make any changes, add any staff, pursue any initiative or eliminate anything or anyone. Nothing was off limits. The monetary results of your decisions and actions would be measured over an 18 month period and any profits resulting from your actions would be yours alone. What exactly would you do? Simply eliminating people doesn't help if our clients aren't delighted and if the work doesn't get done. So what are you going to do to improve the business while also keeping our clients happy?

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38. Are you satisfied that we generally pay our employees a fair compensation package? Would our employees agree with your answer?

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**SALES GROWTH WORKSHOP**

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39. Where could we earn additional revenue or fees?

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40. What could be done to ensure that our employees feel respected, appreciated and happy with their association with our company?

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41. Should the financial performance of the company be communicated to all levels of management and all employees? If not, who should know how we are performing?

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42. Who is responsible for making money for our company? Should your pay, raises and bonuses be somehow tied to our financial performance? If not, what metrics should be used to determine overall compensation? Please be specific.

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43. If you had to make \$200,000 in quick expense cuts, but employees, salaries and customer service were off limits, what would you do? What would you eliminate?

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**SALES GROWTH WORKSHOP**

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44. What could we do to immediately increase our annual revenue by 25% next year?

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45. What impact does the economy have on our finances?

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46. List three things you, your team or any other department can do today to improve the finances of our company.

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47. What advice would you give the executive management team of our company?

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48. What are the biggest mistakes we are making as a company?

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**SALES GROWTH WORKSHOP**

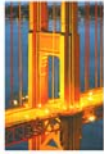
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49. As we enter this Strategic Planning Process, please list those areas that are absolutely critical that we focus on. These are the major themes that we *must* explore in our planning session:

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## **Dramatic Revenue Growth...Without Selling**

### **Summary**

This article gives a step-by-step action plan to radically re-design your company's sales approach, eliminating the need for pushy salespeople and developing long-term relationships with your customers. A case study is presented in addition to practical steps one can immediately take to improve their overall offering in the market.

To dramatically increase sales and grow a business, one must successfully increase the perception of value that the market has of your product or service. There is really no other way.

The perception of value that a prospect has of your company has absolutely nothing to do with the amount of effort or the cost you incur to provide the service, but rather the prospect's perception of the benefits derived or problems that are solved (or avoided) from using your service.

When people get to the point of a buying decision, there are really just two major types of benefits that most buyers will evaluate:

- The addition of something positive: (better rate, more options, longer warranty, quicker response, etc), or
- The elimination of something negative: (restrictive policies, minimum order size, cost of maintenance, long lead times, continuing headaches, hassles, etc.)

The quickest and easiest improvements come by concentrating on eliminating the negatives. These "negatives" (commonly known by salespeople as "objections") are intimately known to your customers and prospects (you probably know what most of them are already)...one doesn't have to persuade a buyer that they exist...they know that they do. Also, one doesn't have to persuade (or "sell") the prospect that they should eliminate these negatives-he's dying to! Done well, eliminating the negatives (objections) is a path of no resistance to closing new business.

Now here's how you might think about supercharging your company's growth:

While solving a prospect's problems is what everyone else is trying to do, they usually are only addressing the surface-level issues, the "symptoms." Rather than focus on the surface-level issues, try to dig much deeper. Most people will stop asking after two or three issues are uncovered, but you've got to keep digging to find the underlying root causes of those problems.

Spend some time talking to your customers about what really causes those vexing problems that they face. Then, determine what changes you can make – not just in terms or price - but in the offering as a whole, so that you can address the root cause of their problems.

Once you identify the source of your industry's root problems, you can then set out to develop a service offering or "package" that fundamentally addresses these issues in a way no one else has ever done before.



### **Here's a Case Study Example**

One of General Electric's divisions was selling replacement parts and emergency repair services to steam-generation power plants. These steam plant operators were always calling with last minute, emergency requests for parts and repair. Naturally, GE charged a premium for such service because they had to maintain extra inventory and staff for every potential contingency. The steam plants were under scrutiny for excessive operating costs due to all the triple time billing for the emergency work. Competitors were being called in to bid on the parts and service business, but GE saw an opportunity to fundamentally redesign their offer.

GE addressed the *core issue*: the steam plants must drive down their operating costs, but they also must stay on-line at all times.

But what was it that GE was fundamentally providing with their services? They determined that their real value was: "the consistent and reliable source of steam power." It was not replacement parts and emergency service! So they changed their entire offering. They now just sell STEAM! That's right. Now, GE runs the steam plants for a fixed fee based on the power output generated by the steam. Now they sell steam, *not* parts and service! Because they are running their own equipment, GE understands it well and maintains it well, reducing their operating costs. It's a win/win.

The buyers, typically mid-west manufacturing firms, are happy because they don't have the hassle of running a steam plant, yet they have stable costs and can rely upon a consistent and reliable source of steam power to run their plants. Problem Solved! They are happy with GE's solution and it's a pretty safe bet that GE will be selling steam for a long time to come.

And here's the important angle to the story: GE never had to "sell" anyone. They came in and solved a problem that their customers were only too happy to pass off to them!

### **How to Apply This to Your Business**

Rather than starting a sales presentation by pushing your or service, start by presenting the prospects with their own problems. Then link their problems to your industry's existing standards, methods and policies.

Go on to explain that your firm became aware of the complaints, and after listening very carefully, you set out to build a company from the "outside-in" to solve the specific industry problems. The fact is that you realized that as long as these policies and standards were creating problems for your customers, that they were also causing problems for your firm by limiting your growth. So you went out and completely redesigned your offering. Essentially, it's an admission that the industry's methods and practices were limiting your growth. (NOTE: Companies can relate to this, because they are aware of similar problems in their industries.)

You'll usually hear them say, "OK so you know your industry's policies and practices have limited your growth and are burdening my business. Now what are you proposing to do about it? How are you different?"

Then you reach out and hand your prospect your "New Policies," your incredibly compelling new offer that fundamentally addresses some of the core problems faced by the industry. (Of course, you have to figure



out just what those problems are, and how you will solve them or prevent them from occurring. Call us at IdeaBridge. We can help you find the answers.)

The buyer, of course, facing what he perceives to be your supreme generosity will naturally be cautious and suspicious. So you simply tell him that your objective was to fundamentally redesign the offer to solve your customer's problems. That way, you could dramatically increase your growth as an industry leader.

The next step is to present the prospect with a list of all the well-worn objections and obstacles that a prospect will typically throw out to dissuade you from closing the sale. That's right! You hand him a list of the industry's most common reasons and excuses for not buying. They can't come back at you with the objections that used to put you in a position of weakness where you had to defend yourself. This is a total role reversal and he won't know what to do! You prospect has never seen anything like this before!

He knows you've presented him with a dream offer, but now you're giving him all the reasons why he shouldn't buy. But, structured correctly, the offer will be so compelling that he simply won't pass it up. Now the roles become reversed and he takes the position that all the objections can be overcome or dismissed. The prospect tries to close himself! Generally he'll play down the objections, laugh at a few of the zingers he's used in the past on pushy salespeople, and then he'll tell you how to overcome the rest...he wants the deal and he's going to show you exactly how to close him.

### **Understanding Buyer Behavior**

Buyers see their job as pretending that they don't want to buy or that they are currently satisfied. This is a negotiating ploy that's as old as the ages, yet salespeople still fall for it. They sweeten the pot and enhance the offer, thereby allowing the buyer to extract the maximum possible concessions from the salesperson.

Buyers don't usually have full trust of the salesperson or the exaggerated claims they make. Buyers have learned to be suspicious and cautious of salespeople singing the praises of their services. Therefore, to protect themselves and their companies, buyers have created a hard protective shell of caution and doubt; they simply don't trust salespeople.

Presenting a prospect with a list of objections of why he should not buy goes a long way toward distancing yourself from the untrustworthy salesman. The prospect will open up and be less guarded with you, often giving you ("off the record") inside information on how to close him that he would never have given to a "pushy salesperson."

### **A Growth Solution**

An offer that relieves a prospect's problems brings great business and emotional benefits, especially the relief of pain, hassles and headaches. The more problems that your offer eliminates, the greater the benefits to your prospect.

For this to work, you must discover what your prospects really want, and find a way to fix it, build it or create it. Sometimes this takes outside-the-box thinking and breakthrough ideas. Then do it. The results will be spectacular.



## **Strategic Planning Outline**

### **Summary**

The quicker a Strategic Plan is developed, usually the simpler and easier it will be to execute. Keep the plan simple and don't get too many people involved in the initial phases, it will just slow down your progress.

The best strategic plans tend to be simple and focused. Most, however, simply gather dust because they are overly complex and theoretical. When developing your plan, keep these major points in mind:

1. The plan must be S-I-M-P-L-E! It is unlikely that you will be personally executing the plan. Most often, strategic initiatives must be executed by the employees, and it's rare that employees will share your same level of passion, determination, stamina or drive. Therefore, the acid test of your initiatives should be the following question; "Can employees of average intellect and drive effectively execute this plan in the allocated timelines and budget?" If not, then your plan should be revised.
2. It must be quick to complete: Don't get too many people involved, as this will only draw-out the process and water-down the message.
3. The Plan must be designed to lead to tangible, measurable results within six to eight weeks.

The Strategic Positioning of your company can be divided into the following core components:

- Your Corporate Philosophy
- Your Mission Statement
- Your Strategic Message: Your Concept and why you are different.
- Major Strategic Objectives
- Critical Milestones with deadlines, accountabilities and action plans

### **The Corporate Philosophy**

Your corporate philosophy expresses the underlying purpose for motivating executives, managers and staff to pursue your specific business objectives. Why should they go the extra mile to help you build your wealth? If you can't answer that question, don't count on your employees to execute the plan.

### **The Mission Statement**

The mission statement defines the desired *future* of the company, and the company's efforts and activities in broad terms. Designed primarily for internal use, it should be lofty and goal oriented. But keep it to just a few sentences. Think about what could be possible five to ten years down the road.



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Describe what the place looks like when you're finished building it the way you want it to be. It's healthy to put a stretch goal out there, but do a reality check first.

### **The Strategic Message/Your Concept**

Your Concept conveys to your prospects the essence of your business proposition, your mission statement and your strategy. It's a visual expression of a distinct, unique and visible market position, and is communicated to prospects in your unique offer, in your slogan, your positioning, your tag line, your sales reps, the way your people answer the phone, etc. It serves as a guidepost for everyone in the company. Take FedEx's: "Absolutely, positively overnight. Guaranteed." This says it all in a few words and *everyone* gets it. Visual and other marketing materials should buttress your tag line, concept and unique selling proposition.

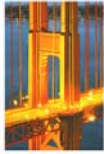
### **Major Objectives**

What are the major objectives you must achieve in order to reach your strategic objectives? Major objectives should pertain to the biggest drivers, the 80/20 Rule. These are often best thought of as "The Big Chunks" of the overall project. In order to ensure that your major objectives will work in a strategic plan, make sure they are goals which are: obtainable, measurable and profitable.

### **Targeted Milestones**

These relate to the activities needed to create short term results in the company within a period of 6 – 8 weeks. The short fuse on the deadlines acts as a call to action and forces you to select those objectives that will start building momentum. Think of the milestones as all the interim objectives between the Big Chunks. It's most effective to link the Major Objectives and the Milestones into a Detailed Action Plan and Timeline, complete with accountabilities.





## **Leaders Are Responsible For Growth**

### **Summary**

This article urges CEO to get out of their offices and take personal responsibility for driving and pushing for a growth mentality at all levels of their companies.

### **Growth Problems? Look in the mirror!**

Growth is your responsibility and it cannot be delegated. Your role as CEO or senior Leader cannot be solely for stability, predictability, or policy conformity. Leaders should wake up everyday thinking about how to grow their companies. If the Leaders aren't focused on growth, the rank and file will spend their days simply maintaining and protecting the status quo, not growing.

Leaders must accept responsibility for their contribution toward sales stagnation, endless bureaucratic hurdles and needless reports that add no value. In the end, it comes down to the quality of leadership. Leaders with the growth mindset turn dying enterprises into thriving ones; conversely, when companies stagnate and start to make excuses for poor performance, it's largely a leadership problem.

Growth is a mentality created by a company's leadership. It starts with the spark of a new point of view, and it catches fire when everyone buys into what the leaders are coaching, expecting, measuring and inspecting. How are your leaders? Are they passionate champions of growth? Are you?

### **The Growth Mindset**

Growth often starts only after a company's leadership breaks the lockstep thinking that has driven strategy for years and caused the stagnation.

Growth must be in your mental architecture. It's got to be how you're wired. Your leaders must energize their people, encouraging them to create and find new opportunities daily. In the daily dialogues everywhere in your company, the loudest decibels should be about growth and new opportunities.

The growth mindset starts at the top, but it must reach all the way to the bottom. Growth must be the central activity of your company. You can't be lukewarm or balanced about this subject. You've got to be a raving, passionate champion for growth. You've got to be out on the fringe and demand and pressure and push to make growth happen. Growth has got to be central to everything you do, every day. You must be a growth champion; growth cannot be delegated.

### **The Warm-up Is Over**

If you are like most companies who are drifting toward sales stagnation, the sales focus and intensity level will have to come up tenfold from where you are today. And you will have to play a central, supportive role in this change. It's your company's future.

And forget about the gratuitous nod of agreement, "Yeah we'll look into growing first thing next quarter." At today's speed of business, you may have five new competitors by then, all working out of their garages



and undercutting your price by 40%. The time for meetings and rambling discussions on growth has passed. It's time for you to take action. Now. *Right Now!*

#### **How Growth-Oriented Companies Are Different:**

Growth companies are performance-based; results oriented and have a strong sense of urgency. People are learning where the sources of growth lie. They are curious about new markets, new needs, new technologies, and they talk about them with one another. People willingly share growth ideas and best practices, *without prompting*. In growth companies, the enemy is *external*, not internal.

Growth companies use a different language. They have a passionate attitude about destroying their competition and walking home with the trophy. They use words like "fight, capture, destroy, steal, war" when talking with their troops. Anyone whose not passionately committed to growth, or who feels "uncomfortable" demanding growth, is moved out, moved over or let go.

The days are gone when managers should be rewarded for simply maintaining the status quo in their business unit. The bar must be raised. Today, business leaders must be judged by their success or failure in achieving sustained, incremental, profitable growth. Because, not all growth is good. Growth at all costs, or growth for its own sake, can be a recipe for disaster.

#### **Good Growth vs. Bad Growth**

Good growth is sustainable, profitable, and capital efficient; don't confuse it with feverish spurts of volume that ravage earnings or steal from your future. Good growth more than pays for the advertising and sales costs associated with generating the incremental volume. Good growth is relationships.

Bad growth is growth driven by price alone. Do you really want to *rent* market share, in the form of getting it through price? Rest assured, if you sell on price alone, you won't own that customer for long!

#### **The Next Step**

If you seek profitable, incremental growth, you must take action. This is not the time to point fingers or blame others for your sales stagnation; this is the time to take action.

Growth won't just happen. You have got to stand up and say, "Hey! Growth is central around this place. We expect it, demand it and reward it!" Then make sure growth is part of your week. You've got to commit "x" percent of your time to inspecting, rewarding and pushing for growth. Then go out and do it.