

Putting Together the Entrepreneurial Puzzle:

The Ten Pieces Every Business Needs to Succeed



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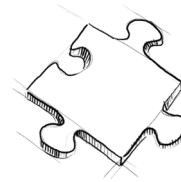
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Puzzle Piece Seven

Sales



Now we get to the art part of the Sales and Marketing equation. You've determined what your best product or service is, picked your market position, and put together your marketing strategy. You're all ready to go out and sell your product, right? Not so fast.

Think of the sales person as the "matchmaker" between your product or service's benefits and your customers' needs. Although this person is essential to your product's success, not everyone has the personality or skills to be a great matchmaker, so let's start by describing what kinds of people make good matchmakers and what kinds of skills they need to have to make the sale.

What Makes a Great Sales Person?

Sales starts with the ability to engage someone in a conversation about their needs, and to persuade them that your product or service answers that need. Doing this without coming across as pushy is where skill tips over into art. We've all had negative sales experiences. They really stay with you, and I'll bet you could list all the things about a given bad experience that made it bad. But a really good sale often doesn't feel like a sale at all. How do those guys do that?

Really great sales executives have a natural talent for the art of conversation: they're able to gain trust quickly and really make a person feel listened to. They are outgoing, friendly, and smart. However wonderful all of these traits are, though, a sales executive must possess two key components to successfully complete a sale: the finesse to ask for the order and the capacity to follow through. I've

lost count of the times I've worked with CEOs who couldn't understand why their supposedly great sales people were not selling anything. I'd ask them to define "great" in a sales person. Inevitably they would list the same things I did at the beginning of this paragraph, all of which make a person a great conversationalist, but *not* a great sales person. Without the two key components—the ask and the follow through—most sales calls will be doomed.

Hunters

Account Manager, Business Development Manager, Sales Executive: these are all titles for the person who makes contact with the customer for the purpose of closing a deal. Regardless of title or industry, people in these positions all have one thing in common: they're hunters. They love the chase (the pursuit of the deal), and they love to bring home the "prize" at the end of the hunt (the purchase order, the sale, or whatever you call it in your business). At some level, they love to win. Winning for them is not only closing this deal, but closing more deals than their peers. They are motivated by competition.

While all of that is true, the very best sales people are those who also ensure that their clients win too. Sales people are the main point of contact for the client. They know how to form lasting relationships with clients. They ensure loyalty by always making sure they deliver on whatever they said they would deliver. The best sales people take client relationships seriously because they love to grow the business and they know that sales do that. But they also know how to form relationships with their own team to make sure clients get what they need. The worst sales person is the one who is very professional to outside clients, then turns around and abuses people at the office. Good sales people are consistently authentic. And they expect to get paid for doing all that.

But let's be clear: these are rare birds. What I've just described is the *ideal* sales person. The better your sales strategy—from how you hire your sales people, to how you prepare and train them—the more likely you will come close to this ideal on your actual sales team.

Farmers

All great sales executives have a team behind them. Usually those teams consist of people called customer service representatives (or managers or assistants). These are support people, usually located in the office for the purpose of supporting the customer after a sale has been completed. This type of position is typically called a "farmer," as in someone who tends the crops once they've been planted. Being a farmer requires a different skill set from the "hunter" because this part of the customer relationship is about maintenance: making sure the customer stays happy, probing for other needs, and making sure those needs are fulfilled. Like hunters, farmers are also relationship experts. They too are outgoing, friendly, smart, great listeners, and good at follow through. What this role doesn't require is the ability to ask for the order. Temperamentally, people who gravitate to the customer service role are more risk averse and would prefer not to have their pay tied to sales performance.

You need both the hunter and the farmer in your organization. Hunters to find the deal, and farmers to tend to customers and help those relationships grow and flourish.

Phone Sales and Independent Representatives

Sometimes your sales strategy will be to sell your products over the phone. If this is the case, you still need a hunter. Even though this job is office based, it requires that all-important ability to ask for the sale. Because this job is still about the close, you need people with the skill to do that.

Depending on the size and talent pool of your company, you might choose to hire independent reps—people who sell multiple products, one of which happens to be yours—while you handle the farmer aspect within your company. Because their job is to find and close new business for you, independents need to be hunters. Keep in mind, however, because an independent's loyalty is not totally yours, handling your sales this way can be a riskier strategy.

Putting Together Your Sales Team

Once you've defined what type of hunter and farmer you need for your product or service, it's time to build the team. What kind of expertise does your product or service require? Do you need to have an outside sales force? What's the ratio of outside to inside sales people? Think about all these factors as they relate to your products.

One company I worked with had exclusive distribution through distributors and independent sales reps. The company had no sales people of their own, only internal customer-service people. They had grown the company to \$10 million but couldn't seem to move past that mark. We looked at various options and decided that they needed to add at least one dedicated, internal sales person. We hired a great hunter and changed the sales structure for the reps and distributors. The result was a twenty-five percent sales increase, with both direct and channel sales growing as a result of the new strategy. After a year, the company brought on a second and third hunter with similar results.

Hiring sales people is easy. Hiring the right sales people is hard. You want to use as many profiling tools (see Chapter Four) as necessary to help you make the best hire possible. For this position you're hiring for attitude. You can train the skills. Because sales is ninety-nine percent art you want someone with natural talent that can be molded into solid skills. Remember to focus on the behaviors required for successful sales when choosing people: outgoing, people oriented, good listener, solid follow through, and competitive. Most importantly, choose people who *can* and *will* ask for the order. If they've had previous sales experience, use behavior-based interview questions to see if that experience is similar to what you're looking for. And don't forget to ask for a W-2 to prove what they say they've earned. Much as I love sales people, they do tend to be good promoters and are prone to exaggeration.

However you put together your sales team, make sure that you have the best representation for your product or service, that you're selling to your customers in a way that works for them, and that you're constantly measuring the results.

Quotas, Territories, and Compensation

Quotas

I believe quotas are always a good idea in sales. This is a group of folks who want to be measured and you absolutely want to measure your growth in sales. It's a rare win-win. Plus, your

sales people are probably the easiest in your company to measure. They either sold something or they didn't. Because of their competitive nature, sales executives are always comparing themselves to the measurement, to others, or to their performance from a prior period. This is why it's very important to have appropriate quotas set in advance that both parties agree to. With reasonable, mutually agreed upon, measurable quotas, performance reviews are easy.

When I managed sales teams my process went something like this: I looked at the total sales volume from the previous year. Then I looked at the projected volume for the coming period or year. I also looked at what new products or services we were launching, as well as what new territories or initiatives we had planned for achieving our revenue goal. Then I looked at the breakdown of revenue goals from the prior year. After analyzing all that data, I sat down with my sales execs and gave them each a percentage increase I was looking for in their territory. I then invited a discussion about how that would be achieved or why it couldn't. I almost never got the response, "Oh, I can do that easily." Remember this is a negotiation because, ultimately, you want your sales people to own the number. If you just foist it on them, they'll make excuses about why it was unrealistic and never truly buy in. If you invite them into the discussion, you have a higher likelihood of achieving the goal.

After the discussion, I asked them to go away and come back when they had a written plan specifying how they would achieve the goal. Typically, a week later, I would get an outline showing me exactly which products, territories, and customers they would focus on. Occasionally they would show me how it was really impossible, or even, on rare occasions, how they could do more. The point is, by going through this exercise, it became their plan, not mine.

Territories

Territories are dependent on your products and services. Perhaps your products are better served by specialists instead of territories. But if territories make sense, take a look at whom you want to sell to and you'll quickly see how the sales territory shapes up for you. Then decide how to divide the territory among your sales team. How much geographic territory can one person handle? What travel restrictions do you have?

One caution about territories is that sales people will get complacent. They get used to orders coming in from certain clients and count on that to make their goal. This can cause them to fail to uncover all the opportunities within their territory. There are several ways to combat complacency: only give credit for the first six months of a sale; designate repeat orders as "house"; pay a smaller commission on sales to the same client after a year; or incentivize for "new" versus existing customers.

Compensation

As with measuring, paying sales people is pretty easy. First, look at what your industry pays on average for a good sales executive as well as inside customer service people. You want to pay somewhere in the mid to upper range in order to attract the very best. This is not the area to be cheap because good sales people actually pay for themselves multiple times over.

Let's say, for example, that the median pay for a good sales executive in your industry is \$150,000. You probably want that package to be a sixty/forty split: sixty percent of it would be

base salary and forty percent would be commission or bonus. In highly technical or long-term, enterprise-wide sales, the pay split will be less skewed towards the bonus or commission and more towards base salary; for instance, a 75/25 or even an 85/15 split. In either case, you want the base salary to be enough to live on, but not enough to be comfortable. Hunters need to be a little hungry to perform at their best.

Structuring the commission or bonus based on your goals for your sales team is key. When I had my company, we had a commission based on gross sales. My partner was frustrated that our margin kept eroding even as sales were growing. So I changed the sales commission to pay only on margin, and, surprise, our margin percentage and sales went up dramatically. Whatever you want your sales people to do—to sell or to grow or both—tie it to the commission or bonus portion of their compensation. You'll be glad you did.

Additional bonuses or incentives are always a good way to jumpstart a new product launch, or get rid of old inventory. Sales people will go where the money is because they tend to have a “what's in it for me” mentality, and will do what it takes to maximize their share. That's not a bad thing. It's how sales people are wired and it can be very, very good for your company.

Before laying out your compensation structure, be sure to research the standards in your industry. You might be in an industry that is straight commission; for example, real estate, brokerage, car sales, and insurance. Typically commissions are high in these industries because you have no costs unless the deal is closed. It takes a certain breed of hunter who is very confident to work for straight commission. They are usually very independent and enjoy risk, so don't think you'll be able to monitor or track their activities too closely.

Scripts

I know some people who say that scripts are overrated and a good sales person just knows what to say. That's not exactly true. A good sales person knows *how* to approach people and engage in conversation, but you have to define *what* they say about your product. And no one is particularly good at articulating those details at first. It takes some practice.

Think about your vision and values. With those as the basis for your scripts, your pitch package should include all of the following components: an “elevator speech,” a phone script, a gatekeeper script, and an in-person presentation.

Elevator Speech

Your elevator speech is a short description of what you do with the goal of starting a conversation. Think of it this way: you step onto an elevator, you punch the button for the next floor, and just as the doors close, the person next to you asks you what you do. You have just until the next floor to explain, so by necessity your speech has to be concise and to the point. When I was a chair for Vistage International, my elevator speech was: “I run groups of CEOs who help each other with their businesses.” The point is to grab people's attention so they ask a question. If they do that, you know your elevator speech is successful because you've started a conversation. In my case, people would always say, “Really, how do you do that?”

In this case, you'll be writing an elevator speech for your product or service. My good friend

Lorraine Howell is an expert in this field and has worked with thousands of people helping them perfect their elevator speeches. I highly recommend her book, *Give Your Elevator Speech a Lift*, either to help you get started or to fine tune the speech you already have. Once you have yours down, make sure everyone at the company knows it. They're your free billboards. Don't waste that advertising opportunity!

Phone Script

I can't emphasize enough how important it is for anyone doing cold calls, follow up, customer service calls, or any repetitive outward-facing client calls to initially follow a script until they can do those calls in their sleep.

This does not mean those people should read from a script as if they're automatons; rather, it means memorizing the ideas and then saying those in their own style to make the communication authentic and genuine. The reason for the script is so that you manage the message. These people are touching your customers: it's imperative that the message be accurate, intentional, and aligned with your values.

Start by deciding what the goal or purpose of a given call is. If it is to ascertain interest in a particular product, start with some introductory questions. Some can be closed questions (these require only a yes or no answer), and some can be open ended. The script should include a matrix of follow up choices depending on the customer's answer. In other words, if the customer answers "yes" to a question, there is one series of follow up questions; if the customer answers "no," then the script goes in a different direction. All potential answers should be accounted for so that the sales person knows exactly what to say and always sounds professional.

Salespeople should have their scripts in front of them at all times, following along while maintaining a conversational tone. The goal of the call should be at the forefront at all times. You can even put it at the top of the script.

At the end, the salesperson should thank the customer or prospect and close with the appropriate followup item. (See the sample scripts at the end of this chapter.)

Gatekeeper Script

A gatekeeper script adheres to all the same rules as the phone script, but its purpose is different. The purpose of the Gatekeeper Script is get to the decision maker. These days anyone can find out who they should be talking to by doing a review of a company's website. Once that homework is complete, your salespeople can begin calling. At that point they'll likely run into a "gatekeeper," the person responsible for protecting the decision maker's time. You won't get far by being belligerent to the gatekeeper. Instead your script should include polite questions with the goal of turning the gatekeeper into your ally. As with the phone script, always remember what the goal is: to get information to your target, to speak with your target, or to make an appointment. (See the sample script at the end of this chapter.)

The In-Person Presentation

Your strategy for an in-person presentation will depend on multiple factors:

- What is the product or service?
- Who is your audience?

- How much time do you have?
- What is your goal for the appointment?

The most important thing to remember here is that you have a finite amount of time to get your message across. Time is so valuable these days that, if you don't connect with the individual on the things that are important to them in the first ten minutes, you'll lose them. If yours is a highly personal product or service, forget PowerPoint and focus on the conversation and leave behind a brochure highlighting product features and benefits. If it's a very technical product, make sure you know what the customer's pain points are ahead of time so you can speak directly to those.

Perhaps you're on a fact-finding mission to explore whether there is even a fit for the features and benefits of your product. If that is the case, start asking questions and let the customer talk. Information gathering is better done in small groups or one-on-one meetings so the sales executive has time to build rapport. Once all the data is gathered, then a formal presentation that addresses all the needs of the customer can be made with PowerPoint or notebooks or whatever medium best conveys the solution to their problem. Whatever the goal, however, the key to the in-person presentation is that the salesperson should do the least amount of talking but the most questioning.

How you approach the presentation depends on all of the above factors, starting with the four questions. Once you know the answers, you can put together a sales presentation and tailor it as needed to the individual customer. However, there are a couple of critical factors that cannot be overlooked, though they frequently are. First, preparation is essential to a successful meeting or presentation. You cannot wing it because you won't get a second chance if you fail. You may be green, but that's no excuse for not preparing. Second, never leave without clearly deciding on a next step. The next step might be:

- A quote or proposal to be given by a certain date
- A follow up call
- More data will be provided
- A reference needs to be called
- There is no next step because this is not the right fit

Whatever the desired outcome of the in-person call, know it ahead of time. You don't know if you've won if you don't know where the goal posts are. I always encourage sales professionals to do a plus/delta on each call, either at the end of the call or the end of the day. What went well? What could I have done better? With each call you gain knowledge, experience, and confidence. Make sure the whole team is leveraging that.

Objections

Handling objections is a huge part of the art of selling. Rarely will you find yourself pitching to someone who just pulls out their wallet and pays for your product without some sort of objection. The more expensive the item, the more objections you're likely encounter. Learning to deal with these effectively is essential to sales success.

For each product or service, there are at least six common objections. Objections often take the form of questions, but make no mistake about what they are. The nature of the objection will tell you something about your customers and how to respond without making them feel foolish about their concerns.

- **Price:** When customers say an item is too expensive, they're really saying you haven't given them enough detail so they can appreciate the value of your product or service. Rarely does someone tell you your product is too cheap.
- **Information:** Asking for more data tells you this person is probably an analytical, so you'll need to know your facts or bring along a specialist to cover the details.
- **Nonresponsive:** When a customer doesn't respond to you, it usually means you haven't asked enough needs-based questions to uncover that person's real need.
- **Talk:** Someone who talks but doesn't ask many questions about the product is usually just a people person. You're going to have to get to business at some point so you'll need to take more control of the conversation. Sometimes talk is just a way to divert your attention from the fact that this person: a.) doesn't want your product, or b.) doesn't have the authority to buy your product. Don't waste your time or theirs if there isn't a mutual fit.
- **Options:** Someone who wants all possible configurations is a person who likes options. Respond by giving them choices.
- **Bluntness:** Someone who is very blunt and just wants the facts has little time to waste on chitchat. Get to the point and get out.

Once you've developed answers for the most common objections for your product or service, keep them updated as technology, products, and times change. Always be the most knowledgeable person about your products. Know what people are saying about it, both good and bad, and know how to respond to that. When confronted with a new objection that you can't answer, admit you don't know, but promise the customer you'll find out and get back to them. Take that back to the office for discussion. After you've followed up with the customer, add that objection and answer to your list. Customers will forgive you for not knowing something once, but they won't do it again.

Training

Continuous training is mandatory for anyone in sales. Products, processes, technology, and people change so quickly that, in order to be good at what you do, you need to constantly ask, "What don't I know?"

A sales executive who doesn't embrace continuous training or learning will soon become a dinosaur, so be sure to encourage and provide ongoing training to make sure that doesn't happen in your company. The following are just a few of the basic training subjects for any sales team:

- Buying styles
- Product training
- Personality types
- Sales methodology
- Presentation training

- Elevator pitch training
- Prospecting
- Handling objections

Depending on your specific training needs, you can set both tone and expectations for training by setting up a schedule a year in advance and arranging for trainers or experts to come in and speak on different topics. I don't have an opinion as to whether or not training should be mandatory, but I would make certain judgments about those who don't attend training, and I would watch their numbers closely. If they're not making quota, I'd make training mandatory until they get back on track.

Whatever the training topics or schedule, be sure to take the following factors into account when deciding on the program:

- What are the vision and values of your organization?
- What are you trying to accomplish this year?
- What were your biggest sales failures and successes last year and why?
- What is the one sales problem that, if solved, would have the biggest ROI on your bottom line?
- Is your sales process being followed?
- Is your organization true to your sales strategy?
- Who else in the organization should join in training?

Some other points to consider about training:

- Not everyone learns at the same pace or has the same style, so provide different modes for learning: classroom, online, books, seminars, etc. Have your best people teach subjects or strategies they excel at.
- Have a continuous schedule of training so you can continue to grow and include more people. Find different ways to internally advertise trainings. People will need to hear it multiple ways and more than once for the message to get across.
- As with so many of the other pieces of the puzzle, let your company values guide you on training. If one of the values of your company is "innovation," make your trainings innovative. If one of your values is fun, then you'd better have some fun with training.
- And always have a way to measure if training is working. Sales results will tell you a little, but employee satisfaction might tell you more.

Sales Process

Now that you've had time to think about the structure of your sales team and how you're going to sell, it's time to map out the process. From the first touch point—your product—what are all the steps you'll need to take to get to the end point, the sale?

With a more complicated or technical product the process might look like this: the first step is your inside team making a cold call. That gets an appointment for the outside rep, and the outside

rep makes a visit with a potential customer. The outside rep assesses the customer's need and generates a quote. Then someone follows up with the customer and takes an order. The order is fulfilled and installed. Then a service team reaches out to set up ongoing maintenance. In a year, the same team contacts the customer to talk about an upgrade. If your product is not complex, the process will probably also be simpler, but the basic idea is still the same.

What you are doing in mapping out your sales process is thinking through the lifecycle of your products and services as they relate to the customer or end user. It's critical that you know all of these points before you start selling, and that your sales people know too. Most importantly, your process needs to be better than your competitor's. You need to know your product, your market, and your target customer better. Knowledge is power, especially in sales.

Pricing Strategy

My eyes were really opened to the power of price increases and discounts—and especially how they affect the bottom line—when I was first introduced to the Price Increase Table (courtesy of RealTime CEO) which shows how much dollar volume you can lose (drop in sales) while maintaining the same dollars of gross profit after a price increase. For example, if you have a twenty-five percent gross margin and you raise a price by five percent, you can have a 16.67 percent drop in sales volume and still make the same gross profit. And gross profit is the more important number because that is what keeps the lights on. Understanding this should give you some courage to make reasonable and regular increases in order to keep your business growing.

Now that you know you *can* raise your prices, how should you do it? I was always told that a business needs to raise prices at least once a year in order to stay ahead of pricing increases from suppliers and vendors. Doing this also sets a precedent for your customers, and gives both of you some leverage when negotiating.

I once worked with a company that had not raised prices in seven years. They were hemorrhaging cash when I finally convinced them they had to raise prices or go out of business. They made a modest price increase—five to ten percent by product—and, not only did most of their customers stay, many of them said they had wondered when prices were going to go up. The company lost about five percent of their sales volume, but they more than made up for it in better margins.

That said, raising prices every year, just because you can, is also not a good strategy. When looking at your pricing, you need to examine several factors:

- Where are we on the pricing scale compared to our competitors?
- What are our competitors doing in terms of price increases?
- Have our operating costs gone up?
- Are we at or near the maximum amount people will pay for this product or service?
- How many customers will go away due to the price increase? (Use the table to determine impact on your margins.)

Price Increase Table
 (% drop in Sales that can be sustained to maintain the same \$ Gross Profit after price increase.)

Price Increase	Gross Margin										
	10%	15%	20%	25%	30%	35%	40%	45%	50%	55%	60%
2%	16.67%	11.76%	9.09%	7.41%	6.25%	5.41%	4.76%	4.26%	3.85%	3.51%	3.23%
3%	23.08%	16.67%	13.04%	10.71%	9.09%	7.89%	6.98%	6.25%	5.66%	5.17%	4.76%
4%	28.57%	21.05%	16.67%	13.79%	11.76%	10.26%	9.09%	8.16%	7.41%	6.78%	6.25%
5%	33.33%	25.00%	20.00%	16.67%	14.29%	12.50%	11.11%	10.00%	9.09%	8.33%	7.69%
10%	50.00%	40.00%	33.33%	28.57%	25.00%	22.22%	20.00%	18.18%	16.67%	15.38%	14.29%
15%	60.00%	50.00%	42.86%	37.50%	33.33%	30.00%	27.27%	25.00%	23.08%	21.43%	20.00%
20%	66.67%	57.14%	50.00%	44.44%	40.00%	36.36%	33.33%	30.77%	28.57%	26.67%	25.00%
25%	71.43%	62.50%	55.56%	50.00%	45.45%	41.67%	38.46%	38.71%	33.33%	31.25%	29.41%
30%	75.00%	66.67%	60.00%	54.55%	50.00%	46.15%	42.86%	40.00%	37.50%	35.29%	33.33%

Price Discount Table
 (% increase in Sales needed to maintain the same \$ Gross Profit after a discount.)

Price Discount	Gross Margin										
	10%	15%	20%	25%	30%	35%	40%	45%	50%	55%	60%
2%	25.00%	15.38%	11.11%	8.70%	7.14%	6.06%	5.26%	4.65%	3.85%	3.77%	3.45%
3%	42.86%	25.00%	17.65%	13.64%	11.11%	9.38%	8.11%	7.14%	5.66%	5.77%	5.26%
4%	66.67%	36.36%	25.00%	19.05%	15.38%	13.90%	11.11%	9.76%	7.41%	7.84%	7.14%
5%	100.00%	50.00%	33.33%	25.00%	20.00%	16.67%	14.29%	12.50%	9.09%	10.00%	9.09%
10%	NA	200.00%	100.00%	66.67%	50.00%	40.00%	33.33%	28.57%	16.67%	22.22%	20.00%
15%	NA	NA	300.00%	150.00%	100.00%	75.00%	60.00%	50.00%	23.08%	37.50%	33.33%
20%	NA	NA	NA	400.00%	200.00%	133.33%	100.00%	80.00%	28.57%	57.14%	50.00%
25%	NA	NA	NA	NA	500.00%	250.00%	166.67%	125.00%	33.33%	83.33%	71.43%
30%	NA	NA	NA	NA	NA	600.00%	300.00%	200.00%	37.50%	120.00%	100.00%

The Power of Prices

Once you've determined the answers to these questions, you can decide on a schedule for regular price increases (whether that's annually, every eighteen months, every two years, or only as costs rise). People don't like surprises, so let your customers know in advance what your strategy is for price increases and what sort of advance notice you'll give them. Then, if you decide not to raise prices one year, your customers feel like you've given them a gift. You win on that one!

The Price Discount Table shows the opposite of the Price Increase Table. It shows you the percent increase in sales needed to maintain the same dollars in Gross Profit after a discount. Let's say you have a twenty-five percent Gross Margin and you decide to give a five percent discount on the product or service. You'll need to increase your sales volume by at least twenty-five percent just to stay even. So, before you decide on any discounting, check the table to make sure you aren't dipping into gross margin too much in case your sales volume doesn't rise.

Customer Ranking

Probably eighty percent of your revenue is coming from twenty percent of your customers. Part of any good sales strategy is to know who your good customers are and why. You already have lots of good information on your existing customers. Start using it to inform your sales strategy.

Let's do a fun little exercise and determine what makes a good customer. Take a big whiteboard and jot down everything that makes a good customer for your company. Include things like type of work, volume, pay practices, etc. Your list should have about five to ten items on it. Now look at that list and decide how many items would have to be a "yes" for you to give a customer an A grade. Some of these items might be nonnegotiable in order to earn an A. Now decide how many for a B or a C. (If you prefer, you can also score these on a numerical scale.) Now list all of your customers and grade each one according to your scale. If a customer doesn't earn even a C grade, it's time to reevaluate your relationship or your strategy. Do this on an annual basis to decide which of your customers you should be paying more or less attention to or firing! (See the list at the end of this chapter for some ideas for customer criteria.)

I recently did this with the small medical device company I mentioned in the last chapter and we came up with a list of seven items that make a good customer, two of which were nonnegotiable. An A had to have seventy-five percent of the items as a "yes" including both nonnegotiables. A B had to have fifty percent, with a C assigned for anything less than fifty percent.

After making the list and setting the criteria, the company rated its customers. It was amazing for some of the managers to find out that customers they'd always thought of as good, didn't in fact grade very well because they always paid their bill late or were short. The owner was surprised to hear what the technicians in the field thought of customers based on how they were treated or integrated into the client's site.

Rank all your clients. What interesting things show up for you? What will you do differently as a result? Now, rather than working so hard on your C customers, which are almost always the ones who want to buy on price and price only, you can focus on you're A and B customers. What can you do to keep your A customers happy and what can you do to make your B customers into A customers? All the research will tell you that it's almost ten times easier to keep and grow a client than it is to find a new one. Make sure you're putting your energy into your top customers!

Bringing It All Together

Over the course of this chapter, you've learned how to put together a sales strategy that addresses the following questions:

- Who are we selling to?
- What does our ideal customer look like (base this on your rankings)?
- Who will sell our product or service (inside, outside, independent reps)?
- How are they compensated?
- What is our territorial strategy (national, regional, international)?
- What is our sales structure/What does the team look like?
- How will we sell our product or service (in person, phone, retail, e-commerce, etc.)?
- What tools will we use (scripts)?
- What is our sales process?
- What is our pricing strategy?
- What training will we provide?
- What are our sales goals?

Now that you've read the last two chapters, spend some time reflecting on your overall Marketing and Sales Strategy because they're critical to the success of your products and your company. Great products fail not because they're not great. They fail because they're not presented so that people view them as the solution to their problem, and therefore they don't sell. Lots of terrible products sell very well because the package creates a false need. If marketing is a science and sales is an art, you need both to succeed.

Additional Resources

Sample Call Scripts

Purpose: To get an appointment with the Decision Maker

Call 1

Salesperson: Hello, my name is John with the XYZ company, and I'd like to see if you have a few minutes to meet with me to learn about how we might help you help your clients.

Target: No, send me some information.

Salesperson: Certainly, I'm happy to do so. I have your address as XX, is that correct?

Target: Yes.

Salesperson: Great, I'll send you some information and next time I'm in the area, I'll stop by and see if you have a minute to meet with me in person. Thank you for your time.

Call 2

Salesperson: Hello, my name is Jane with the XYZ company, and I'd like to see if you have a few minutes to meet with me to learn how we might help you help your clients.

Target: Who are you?

Salesperson: I'm Jane with the XYZ company, and we help people stay in their homes as long as possible. Is that something your clients are interested in?

Target: Yes.

Salesperson: Great, I could come by on Friday or Tuesday. Will you be in the office either of those days? I promise not to take more than five minutes.

Target: Sure, Friday would be good.

Salesperson: Great, thank you, I'll see you at ten o'clock on Friday.

Call 3

Salesperson: Hello, my name is John with the XYZ company, and I'd like to see if you have a few minutes to meet with me to learn how we might help you help your clients.

Target: No.

Salesperson: Okay, I thought it was important for some of your clients to stay in their homes as they age?

Target: It is.

Salesperson: Okay, may I send you some information on our company, or direct you to our website? We really do make it easy for people to age in their own homes.

Target: Sure, go ahead and send me something.

Salesperson: Great, thank you, I'll put that in the mail today and drop by next time I'm in the neighborhood.

Gate Keeper Script

Salesperson: Hello, my name is John with the XYZ company, and I'd like to see if Mr. Smith has a few minutes to meet with me to learn about how we might help you help your clients.

Target: I'm sorry, he doesn't allow meetings with people he doesn't know.

Salesperson: Okay, I can certainly understand that and I don't want to be a pest, so how would I best go about introducing myself to him?

Target: You can send me something and I'll see if he wants to meet with you.

Salesperson: Oh, great, thank you so much for your help. What's your name?

Target: Sarah.

Salesperson: Thanks Sarah, I'll go ahead and send it to your attention, and then follow up with you next week to make sure you've received it. Will that work for you?

Target: Sure, thank you.

Salesperson: Thanks again for your time, and I appreciate your help Sarah!

Sample Customer Ranking Criteria

- Prompt payment history
- Using more than one product
- Good communication habits
- Location
- Key contact
- Values match
- Strategic partner
- Buying history
- Return history
- Client volume
- Payment history
- Types of products
- Geography
- Technical help needed
- Referrals given
- Easy to deal with
- Profitability

Sales Strategy Checklist

- Describe your customers.
- Describe how you sell your product or service (in person, on the phone, retail, e-commerce, etc.).
- List any changes you need to make in how you sell your product or service.
- Describe who sells your product or service (inside, outside, independent reps.).
- List any changes you need to make in who sells your product or service.
- Describe how your sales people are compensated.
- List any changes you need to make to how your salespeople are compensated.
- Describe your sales structure.
- Describe/list your sales team.
- List any changes you need to make to your sales structure or sales team.
- Describe your territorial strategy (national, regional, international).
- Develop the following sales tools:
 - Elevator pitch
 - Phone script
 - Gatekeeper phone script
 - Standard objections and response
 - In person sales presentation
- List trainings you are currently providing to keep your sales team sharp.
- List any trainings you need/would like to add.
- Describe your sales goals.
- Describe/develop your sales process.

Pricing Strategy Checklist

- Identify where you are on the pricing scale compared to your competitors.
- Are your competitors raising prices? How often? How much?
- Are you at or near the maximum amount people will pay for this product or service?
- How many of your customers will go away if you increase your prices?
- Have your operating costs gone up?
- Decide how often you will increase prices and by how much.
- Decide how you will keep your customers informed in advance about price increases.

Customer Ranking Checklist

- Describe five to ten qualities that define a good customer for your company.
- Identify which of these a customer must have to earn an A grade (put a star next to non-negotiables).
- Identify which of these a customer must have to earn a B.
- Identify which of these a customer must have to earn a C.
- List your customers and grade them.
- Identify what you can do to keep your A customers happy.
- Identify what you can do to turn your B customers into A customers.

Recommended Reading

Give Your Elevator Speech a Lift: How to Craft Your Own 30-Second Commercial, Lorraine Howell, Book Publisher's Network, 2010.

How to Win Friends and Influence People, Dale Carnegie, Simon & Schuster, 2009.

Neuromarketing: Understanding the Buy Buttons in Your Customer's Brain, Patrick Renvoise and Christophe Morin, Thomas Nelson, 2007.

Selling the Invisible: A Field Guide to Modern Marketing, Harry Beckwith, Business Plus, 2012.

Selling to VITO the Very Important Top Officer: Get to the Top. Get to the Point. Get to the Sale, Anthony Parinello, Adams Media, 2010.

Putting Together the Entrepreneurial Puzzle

The Ten Pieces Every Business Needs to Succeed

by Mary E. Marshall

The US has a long history of independent thinking, innovation, and creativity—a culture that is evident in an economy largely driven by small businesses and entrepreneurs. Yet, only about half of new businesses survive five years. Lack of practical knowledge about the basics of running a successful business is key. While entrepreneurs often have a dream for a service or product, many lack a comprehensive picture of what it takes to run a business. Given the precarious state of the economy and the significance of small business success, it's as important as it's ever been to support entrepreneurs in developing their practical business knowledge.

Over the course of a career working and consulting with entrepreneurs, Ms. Marshall has compiled a list of the ten most common problems that hamper small business success. *Putting Together the Entrepreneurial Puzzle* is comprised of ten interconnected but freestanding chapters addressing the fundamental areas of business every successful entrepreneur must be prepared to develop and manage. Each chapter takes a nuts-and-bolts approach and includes practical tools for building a successful business or correcting a struggling one:

- Real-life examples from Ms. Marshall's many years working with real entrepreneurs.
- Additional reading resources to increase breadth and depth of knowledge in specific areas.
- Sample worksheets, scripts, interview questions, etc.
- Checklists to help busy CEOs keep track of and accomplish tasks set out in each chapter.

Whether as a gift or a course text, *Putting Together the Entrepreneurial Puzzle* is a must-have reference for entrepreneurs at all stages of growing their businesses.

Available now from Amazon.com in print and Kindle formats.

Find out more about Mary Marshall's services
and follow her blog on leadership development and entrepreneurship:
www.mary-marshall.com.