

## The 7 Deadly Sins That Stop Companies Growing



It is easy for the lazy sales person and it is frequently a panic measure bought about by the first deadly sin.

If you have not correctly positioned your product no amount of discounting your product or service will persuade your customer that it is even better value for money.

### 3. Do not train you sales staff - ever!

The average number of days spent training sales people in the UK is 1 day per year! In the US it is more like 2 days per month. And the results show.

To become top performers sales teams need to be trained on technique, process and the benefits of the products again and again.

Many companies consider the training budget to be a cost but they should look at it as an investment.

### 4. Don't target customers.

Allow your sales people to do what they like, go where they like, to get orders.

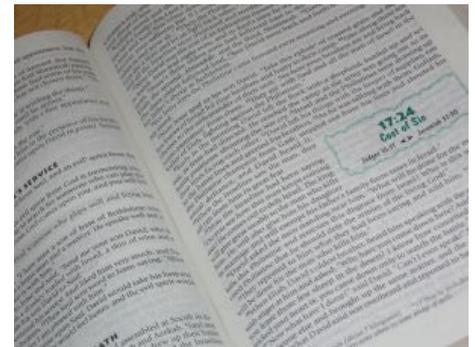
The result will be an increasing number of low value customers that will not contribute significantly to your bottom line.

Your costs will increase as sales people will travel anywhere to get orders no matter what the value of those orders and your competitors will grab the biggest and best customers.

### 5. Don't set your targets for your sales team.

By not setting targets your sales team will not know what is expected of them, not know which customers to target and the sales manager will find it difficult to motivate them to a better performance. Sales people who are not comfortable with targets are just that comfortable.

They stay within their comfort zone and do not rock the boat. Generously, you could say they are order takers not professional sales people.



### 6. Don't bother with all that 'fluffy bunny' motivation stuff!

Selling is a tough occupation and motivation needs to be a regular part of the sales manager's activities. Identifying what the right sort of motivation is for each of the sales team and then working on that will help turn average sales people into stars.

But start with your own attitude. Attitudes are contagious - is yours worth catching?

### 7. Never, ever, ask for the order.

More than 70% of sales people do NOT ask for the order!

They may well qualify the prospect right, identify the benefits for that particular customer, do a fine presentation, answer all the objections but then do not complete the sale.

Often fear of rejection is at the root of this issue.

But by not asking for some form of commitment they are leaving the door open for the client to say "I'll think about it."

All companies need to increase sales and improve their performance on a continuing basis if they are to survive.

Most companies lose between 10-20% of their customers per year due to bankruptcies, mergers and simply because the customer stops buying.

Studies show that 66% of companies consider that sales and marketing are the key issues for their business right now. But they are less likely to do something about it than cutting costs.

Here are the 7 deadly sins - mistakes that many companies make in trying to improve their performance.

### 1. Get out and do more sales calls

This is the normal reaction of most sales managers. When their teams are not performing well they will require re-doubling of efforts in either sales visits or telephone calls.

But doing more of the same thing will necessarily get more of the same result: below target performance.

A review of their target customers, messages and better understanding of benefits is more likely to achieve results required.

They need to work smarter not harder.

### 2. Discounting.

Discounting is an invidious way to get more sales. And most times it will not work.

Yet many sales people will resort to this as a way of closing and trying to increase sales.

# How Does Your Business Compete?

## A Key Question

What is the idea, concept or business model that underpins your business? In short, how do you compete or intend to do so?

It is a question you need to ask yourself everyday as you go to work "How am I going to compete today?" And at the end of the day on your way home "What have I done today to make my business more competitive?"



## Not Always Obvious

Take Starbucks as an example. After a trip to Italy in the 1980's, Howard Schultz, founder and CEO, returned to America dedicated to recreating the espresso bar culture.

He didn't say, "We're going to build a chain of coffee shops that serve great tasting coffee." Instead he said, "We're going to build a third place between work and home."

The latter is a far more interesting and compelling way to define your business strategy and with which to compete.

## Start With Customers

So where do you start? With your customers, asking "Why should you buy from me?". But do not rely on this alone.

They often do not know. Smart phones, SatNavs and Facebook are all examples of things that people probably could not have described until they experienced them.

## Study Your Competitors

Look at your competitors. Many companies ignore what the opposition is up to. Who are your competitors? How are they doing? If they are growing, then why? How do you compare to them?

And beware your own PR; "We are the best". Well are you and who says so?

## Many Different Ways

Businesses compete not just on price, product or service. Subtleties can be important because simple things can get in the way of good service or good products.

Decide what matters to your customers and so how you are going to compete. Focus on these things. You cannot do everything. Give weightings to these customer criteria and prioritise them accordingly. Trying things is a great way to test them out, evaluate customer reactions and get better at them. Look for the opportunities in the process.

## Price

Being the lowest price is not generally a good strategy unless you have a particular cost advantage over your competitors. Customers may tell you that it was your price that was uncompetitive but in practice price is rarely the deciding factor in any purchase decision.

Volume can help lower your costs through spreading your overheads or improving your purchasing power with suppliers.

But being the biggest is not a strategy unless it confers a real competitive advantage. It rarely does. The old adage "sales are vanity and profit is sanity" usually holds good.

## Differentiation

Being different is a route every company should explore. This is where innovation and the creativeness in business can really reap dividends.

Customers will usually pay a bit more for something that delivers greater convenience or ease of use. And that extra margin has such a beneficial impact on the bottom line.

## Don't Get Stuck

Being "stuck in the middle", as Michael Porter the Harvard Professor so aptly put it, is also not a good place to be. In this fast moving world, never standstill; always be driving for improvement to differentiate your business from your competitors.

## Simply Better

Being "simply better" can be a strategy in itself. This usually involves processes; the unsung heroes of successful businesses. Tesco under the leadership of Sir Terry Leahy took the decision that queuing at tills was a major differentiator with its competition. It hired 3000 additional staff to help solve this problem, putting in place processes that moved its staff from filling shelves one minute, to responding to higher demand at the check-out by opening more tills.

Do not neglect IT. It does not often deliver cost savings but it should increase the capacity of staff to handle more transactions and provide better service.

## Interrelationships

Finally look for the interrelationships between what you do, want to do and might consider doing. Is there a skill you could apply to another customer segment?

Defining your core competences is a good way to look at what your strengths and weaknesses are. This can tell you where to focus your energies, either in exploiting what you are good at or improving things which are downgrading your competitiveness.

Asking yourself how you compete each day, and over the longer term, is the essence of being a successful business.



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