



# UNRAVELLING THE SALES PUZZLE

The key stages you must deploy to achieve sales  
success

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## INTRODUCTION

To most SME business owners the concept of achieving long term and consistent sales growth is like trying to un-ravel the Rubik's Cube. Until you know the formula you will be forever going round and round.



Much time and millions of pounds have been spent trying to find the ultimate way to achieve sales growth. This is hardly surprising as, after all sales are the energy of every company. Why is it then that only a handful of companies are able to achieve this?

The insights I have gained from having met and consulted with many business owners and their senior management over the last 14 years leads me to the conclusion that many make the same mistakes, contrary to those few who manage to avoid them.

This paper assumes that you have set the product, price and people you are selling to, at the right level in order to make your product or service a success.

**This paper has been created to highlight some of these common mistakes and reveals how those well performing companies are overcoming them.**

### About the author

Clifford Thomas is the owner and Managing Director of BDC, Business Development Consultancy, one of the South East's largest sales consultancies, which over the last fifteen years has assisted FE colleges, SMEs, B2B, and business owners close their sales gaps.

Creator of the unique *Intelligent Selling* and *Commercial Thinking* methods both of which assist business owners and principals meet the business development challenges such as:

- Not having enough time to win new business
- Over reliance on a few large customers
- Not having the resources to develop a sales pipeline
- No sales plan or strategy
- Finding it difficult to explain clearly what it is they do
- No Tangible USP's or communication of them
- Inefficiency of stop/go sales efforts

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## THE KEY CHALLENGES

Most companies I visit have no sales processes in place

1. Little or no strategy or plans  
We all need to know where we are going

There is little understanding of the consultative sales process

2. What does the business do?  
Not us ... for our customers

Almost all have no clear sales forecasting tool and few use a CRM

3. Sales process is poorly defined  
Not sure where we get our customers from

Many have no control over their sales pipeline

4. Lack of sales skills and sales management  
Do we have the right people in the right place? Whose job is it anyway?

Surprisingly few have any idea of Cost of Sale or sales conversion rates

5. Not knowing if you are getting value for money  
It all seems too expensive. We cannot afford to market ourselves

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*Planning without action is futile, action without planning is fatal*

*'We don't have a plan so nothing can go wrong!'*  
*Spike Milligan*

## 1 - Little or no strategy or plans

### We all need to know where we are going

Most of us who decide to go out and do it for ourselves do so for a reason. For example:

- I found that I was really good at this so decided to start a business.
- I got laid off so decided to do it for myself.
- My old boss did not have a clue so I set up knowing I could do better.

There are many different reasons, but interestingly few of us set up in business just to make money. It is the entrepreneur who thinks of an idea, sinks in the cash, builds a team then steps away with a healthy return. It is the entrepreneur who has a clear idea as to where they are going, how long and how much it will cost.

In the years I have been offering business development consultancy it still staggers me as to just how many of us work so hard without any clear plan as to how we are going to achieve our as yet defined vision.

Should you continue to run your business without a journey plan you are increasing the odds of never reaching any intended goals.

I have met many "Grey" business owners who have become disillusioned by the burden of running their old business. What was once their desire and hunger is now replaced with just 'eking out' a living. Don't let this happen to you. Get a plan.

Your plan needn't be long or overly detailed; as long as it covers the basics, I can assure you the reward will be peace of mind and results.

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*By failing to prepare, you are preparing to fail.”*

— Benjamin Franklin

## The basic plan that brings peace of mind

In my business, I know just how many new business leads we need in order to reach our revenue expectations for the forthcoming year. As long as the numbers stack up week-on-week, I know we will make it. Peace of mind.

You may have a rough idea of the following, but for most, you may have never formulated them into a PLAN:

- Where do I want my sales to be in 12 months' time?
- What is my average customer / order value?
- How many orders will I need?
- Where will this come from?
  - Existing, Past and New Customers
- How will we get them?
- What is it likely to cost?
- Who is going to do it?
- How will I know when I get there?

A key thing to remember is that your sales and marketing is just like any other facet of your business. Like the manufacturer who needs raw materials (sales leads), a production line (sales process), finishing and packaging (closing), delivery (customer service).

Once you have this plan in place you will need to track your activity to keep an eye on the progress you are making. Basic Key Performance Indicators (KPIs) really help here. Such as

- Number of new business leads per week
- Number of new customer visits per month
- Quantity of new sales per month
- Leads to sales conversion ratio
- Forecast and budget
- Budget vs Actual

None of this needs to take long. Most of this you could have in place within a day.

DON'T delay, DO IT NOW! You are probably reading this paper now because you are interested in securing more sales. So do it now and then come back and read the rest of this paper. Make sure you are disciplined to review and refine continuously.

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How can I define what makes our business different

\*\* The name "lift pitch or elevator pitch" reflects the idea that it should be possible to deliver the summary of what you do in the time span of an elevator ride, or approximately 30 seconds to two minutes

## 2. What does the business do?

### Not for us ... for our customers

If you take on board my earlier comments that business owners start a business because they are good at delivering the service or making the products for someone else, it is hardly surprising then that we are also very good at telling people what it is we do.

The problem here is, what we do and the way in which we do it is not, in the first instance, that interesting to potential new customers.

It is worth taking a look at your own sales copy / website and see just how often you use the word WE. Now go and look at what your competitors are doing, you will see they too are talking about themselves.

A great test is to mark your sales copy. Take two different coloured markers. Where you see the word I, we, and us mark in one colour. With the same colour now read through the copy and mark where you are telling them about what it is you do.

Now with the other marker highlight where you are using "you" and "your". Then with this same colour highlight where you are promoting a benefit or reward your product / service delivers.

In most cases you will see that 80% of your copy is marked with the first colour. Meaning you are talking about yourself too much and not communicating to your reader.

Ok, apart from talking about yourself, another key problem is what makes you different (your Unique Selling Point or USP) and stand out above your competitors. Surely an accountant cannot have a USP, they do the same as everyone else don't they? Not so.

Just offering great customer service is not good enough. Every company will be offering this. No one ever promotes poor services.

The biggie, as far as I am concerned, is the culmination of the above into a statement which you can make about your business in 30 seconds. It makes your business sound interesting, defines how you are unique and leaves me wanting to know more i.e. 'The Liftpitch'\*\*.

This is not to be confused with a "Mission Statement", which is aimed more at employees and stakeholders.

I would say, the majority of business owners I have met over the past 14 years really struggle with this. So you are not alone.

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I find it hard to explain what my business does.

## Define what it is you do?

Writing great sales copy is a real skill. I am not professing that just by reading a few lines in this document will give you this skill. However, some basic rules and a slightly different viewpoint can make a considerable difference.

Firstly, think about your customers and the service you offer. What does it do for them? How does it make their life easier, what particular problems / challenges do your product / service resolve for them? Even if it is obvious you should look to include it.

If you are struggling with this, why not contact your customers and ask them? This will give you some great insight as to why they buy from you and some further context as to how you should position your service.

Once you have formulated this list of key challenges that your business resolves, you are now armed with possible empathy statements to use in your sales and marketing copy.

For Example:

***MyCo specialises in assisting YourCo resolve the “THE BUSINESS CHALLENGE”***

Ok, now we know what challenges you resolve, we now need to define the HOW. How does your business go about solving these? This is key as it is the HOW that makes you unique. No other organisation will have the same people, business systems etc. as you. Without knowing it, you have already created a business that is completely unique and engaged in solving your customers’ problems. You just have to think about encapsulating it. Think about the stages your customer goes through with you and then consider “NAMING” it. It is the name that links it all together. By taking your expertise and putting it into a tangible object (name) condenses the need to explain the intangible in full (stops you from being boring at parties).

Your intangibility makes your business difficult to explain, imagine or desire. By removing this you are reducing buying anxieties and making it easier for you to explain what you do.

Using our example:

***MyCo specialises in assisting YourCo resolve the “THE BUSINESS CHALLENGE” We do this using “PRO GOLD” a process we have designed that helps you resolve “BUSINESS CHALLENGE”. By using PRO GOLD you will “BENEFIT” from this “REWARD”.***

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**The Mixer - BDC 'Productisation' Model**

The best part about 'productisation' is that it's something you can do on your own for little or no money.

The next step is to ensure your sales copy moves away from the "first person" to the "second person". Look at your copy and replace I, we, me and us with you, your and yours. This will have a dramatic effect. Not only will this change your copy, but how you talk to your clients too.

Remember to make sure that 80% of your copy is written in the second person and that you are:

- Engaging – highlighting a business challenge
- Offering a solution
- Highlighting the reward benefit
- Action – what you would like them to do

Finally remember to keep it short, simple and reduce the use of jargon.



### 3 - Sales Process is poorly defined

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#### Not sure where we get our customers from

Far too often, you think you are focusing your sales activities into the areas that will produce for you your biggest and quickest wins. But, left unchecked, you generally don't have or pursue a formal plan for moving your sales visibly forward. As discussed earlier, most of us don't have a clearly defined set of goals against which to measure our progress toward a sale. Instead, the sales team spends time chasing prospects, hoping they will eventually land one as a customer, normally giving up after the third attempt.

Interestingly, research tells us that it takes between five-seven prospect interactions before a client buys. Staggeringly, the majority of businesses I meet normally give up after the second or third attempt. Just think how many £1000s of wasted sales effort this adds up to?

**Of course this fuels the belief that “sales doesn't work...takes up too much time... is a waste of money”**

When your sales attempts don't work, for even the best of us we tend to get discouraged. If we are not careful we can spiral into spending more time failing and seemingly having less influence convincing prospects. We start to press too hard or don't spend time qualifying prospects properly. Of course what goes wrong for each business may differ but the net result, is wasted investments in sales and marketing. Fuelling the belief that sales and marketing is a cost not an investment.

Ultimately you will never maximise your return on investment unless the sales process is constantly managed; and for it to be managed it needs to be manageable.

#### Developing a consultative sales process

In this context it refers to developing a realistic step-by-step process of what you want the sales efforts to do. You should include lead generation, the number of sales calls and who they should be developing relations with. Define the pitches (perhaps from your lift pitch), what presentations to make and what brochures to leave. What challenges do the prospects have, how have we communicated, how we are resolving them? What are the relevant closing stages? Learn when to step back, when to push.

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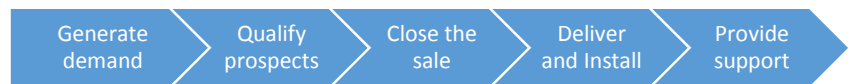
### Route to market

Making the purchase is just one step in the buying process. This step is preceded by others that have a huge impact on the purchase decision. Your sales process needs to map your client buying process, as discussed earlier. For example:

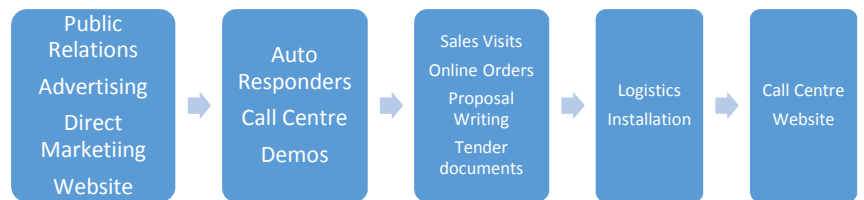
#### THE BUYING ROUTE



#### THE SALES ROUTE



#### SALES PROCESS - ACTIVITY ROUTE



It's only when such a process is in place are you in a position to

- a) Monitor progress and activity
- b) Assess any issues and re focus efforts
- c) Control the spend and see the return

Surprisingly this lack of process is not just for the SME, many larger organisations I have worked with lack this structure. They speak about their CRM as if it answers all of the above, but on closer inspection there is very little time being spent on managing and refining their process. Thus, what was working a year ago is no longer fit for purpose.

Even when our sales process has been developed, circulated and put into practice, it has to be embedded and become integrated into the entire business.

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### Suggested Solutions

If you don't ask you don't get. A great place to start when devising your sales process is to get your customers involved. Find out how they want to be sold to and where they see your product / service fitting in. What language do they use? All this helps you position yourself as the expert in helping them. You can seek this information by setting up customer feedback strategies via survey and focus groups. Also attending events and of course trade shows plus keeping up to date with trade journals.

Next, is to look at those who are performing best, either within your sales team or competitors. How do they do it, what is their approach, attitude etc. I think that psychometric evaluation of high performing sales people can often be really useful here.

Once the sales process is in place you must allow for it to be run in. Evaluate what is working and change those areas that are not. The more customer facing personnel involved in this stage the better as their insights play an important part of this building process.

Use your new Sales Process as the framework to measure performance and assess competencies. This really helps your sales teams realise excellence across the entire organisation.

For example questioning, if you should have highlighted that strong questioning skills are key to developing your consultative sales process, relevant steps can now be put in place to ensure the right questions are asked and the team is coached into how best to present them.

Depending on the size of your business and sales team, this framework can offer a clear yardstick for your sales people and managers, leading to a motivational career path.

What we need to be mindful of now, is that often people are fearful of change; especially changes that require more administration, regular feedback and perhaps more management intervention. We sell the benefits so that they understand how this is going to help them improve their individual performance and provide opportunities for progressions and rewards.

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Every manufacturing or engineering company has the process and machinery in place which they monitor, control, and improve to ensure the best possible outputs. The same has to be said of your sales process. You have to continually check that all aspects are working smoothly and that you are maximising your return on investment. When areas need to be changed you must exploit as soon as possible. Innovation within your sales machine is as vital as any other within your business.

The very best organisations don't separate their sales process from any other part of their business. Everyone is part of the sales process. So it is vital that knowledge of this process is shared with the entire company and placed into context so that the entire business works efficiently to support sales and, ultimately, the customer.

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Nearly 50% of business owners I have met say that they or their sales people are underperforming

## 4 - Lack of Sales Skills and Sales Management

### Do we have the right people in the right place? Whose job is it anyway?

A while ago I was asked to present to a group of SME business owners within the Office Stationary Supplies sector. It was clear they were all losing business to a major corporate. As the day passed it transpired that one of the key reasons their competitor was winning more and taking accounts away from them was the quality of their sales staff.

Most admitted to not spending that much time training their staff or monitoring their activity that closely. Whereas a competitor might invest in a 2 months sales induction and product training programme, with continual training thereafter. It was no wonder they were losing out.

OK, we are all aware that a major differentiator between businesses is the quality of staff and business systems that operate. However, it is often difficult to make investments, especially if you are lacking the capacity.

Also during difficult times, staff development is one of the areas where cuts seem easiest to make, so instead we look to recruit the experience. This is not as easy as it sounds.

Many organisations I work with do not have the expertise to recruit good sales staff and have no understanding of the blend of skills required to be successful in today's competitive sales environment. It is not just about sounding good and being able to close the deal. Hard work alone will not cut it. Today's sales personnel need to have a blend of:

- Product knowledge
- Personnel and business management knowledge
- Selling skills and opportunity management
- Relationship and customer management
- Time management
- Technology knowhow

Take a moment and think when you last interviewed for a sales role, how much time did you spend checking out their full range of skills?

These are skills that need to be constantly developed and honed. Many sales professionals will receive the product knowledge training but surprisingly few receive any other training. They are expected to sort this out themselves.

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Why should I spend money developing my sales staff?  
Once they improve they might leave.

What happens if you spend no money and they stay?

## Build Upon Success

What do your good sales people have that the others don't? What makes them successful and do they share how they do it?

Obvious questions, I know, but a good place to start. When it comes to your sales personnel it is worth making the investment, as sales staff can be very expensive. According to the Institute of Sales and Marketing Managers, the cost of sales personnel is at least double what you are paying them. It makes sense then to invest a little to make sure they have all that is needed to do their job.

Spend some time with your high performing sales staff. Perhaps undertake a psychometric test, to see what they have that the others don't. It is not until you have this information that you can put into place a programme of coaching and development to fill the skills gaps.

### Knowledge Sharing

Create a platform where your sales personnel can share their implicit knowledge. Use your high performing staff as mentors and allow the space and time so that they can all hear, see and do.

Training alone will not fill the gaps. In many environments where teams are highly skilled and technical in their product knowledge and have been "selling" for some time, they may be resistant to formal training. In this instance, coaching could yield great results. Like the professional athlete who relies on the coach to give the competitive edge, your sales team could stay ahead of the competition with regular coaching interactions.

### Logical Recruitment

If you have undertaken the steps to create a Sales Process, you are now in a position to know exactly what you want your sales people to do.

From the work with your current team and perhaps the results from the psychometric tests, you are also better equipped to recruit winning sales personnel.

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“Half the money I spend on advertising is wasted; the trouble is I don't know which half”

*John Wanamaker*



## 5 - Not knowing if you are getting value for money

It all seems too expensive. We cannot afford to market ourselves

### SALES AND MARKETING WILL COST YOU MONEY! - FACT

There is no avoiding it. The cost may not be monetary, just time, but, as time is money I think you get my point.

Whatever currency you are using it is really important for you to have a handle on just how much you are using and how effectively you are deploying it.

I am amazed at just how much time and money organisations are prepared to waste. It is ok if you have masses of cash and that money and time is no object, but for most businesses this is not the case.

I often hear, “I cannot afford to market my business”. Honestly, I really struggle with this one as I want to reply “why can't you? Surely you have made provision for the cost of marketing and promoting your business within your pricing?” Sadly many do not.

Why I think this is strange is that the printer will know to the very last penny just how much it costs to run presses and buy paper, but for some reason has not accounted for the cost of getting the work in the first place.

You may think this is just the domain for the smaller businesses. Not so. I have worked with many clients with large sales teams and marketing departments. All working to budgets. But these budgets seem not to be related to results. With no tracking of what is effective. We have always done it, is the response when asked why they attend this event or advertise in a particular journal.

The best term to describe this is “Ostrich Marketing”; as I believe we know we should be doing something different but seem to do nothing about it. Good thing here I suppose is, you are not alone. If I was one of your more successful competitors I would do everything I could to keep you in that state of mind.

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I think the route of the challenge stems from where and why 80% of businesses start in the first instance. Few started out as companies that wanted to make money. The main driver was perhaps to do something better, provide an improved service, use the qualifications gained. As this forms to be the dominant gene, it drives the business, its resources and thinking, leaving other aspects of the organisation unchecked and perhaps without the proper skill sets, allowing “Ostrich Sales & Marketing” approaches to form.

However, if you want to join the realms of other successful businesses you need to realise that making money must become the dominant gene. However crass this may seem to some.



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What comes first, the chicken or the egg?

It you were to be given £1000 for every £200 you spent, how much would you spend?

## MAPPING COSTS TO YOUR SALES PROCESS

Having already discussed what the most effective journey you need to take to win more business is; now we need to know how much it is going to cost to get there. You may also need to consider, whether the market big enough and whether you have enough capacity in your business to meet increased sales and marketing.

Let's consider the key costs you need to be aware of:

- **Customer Acquisition Costs (CAC).**
  - This is your total Sales and Marketing cost -- add up all the program or advertising spend, plus salaries, plus commissions and bonuses, plus overheads – in a set time period, divided by the number of new customers in that same time period. That time period, by the way, could be a month, a quarter, or a year. For example, if you spent £300,000 on Sales and Marketing in a month and added 30 customers that month, then your CAC is £10,000.
- **Demand Generation % of CAC**
  - This provides you with a good indication of your return on investment on lead generation activities such as advertising, telemarketing and direct mail. It will allow you to consider the impact increased expenditure may have on generating more sales. The trick here is knowing which of the demand generation activities are working for you and delivering the best returns. The most successful businesses will know exactly how much each new business lead costs.
- **Time to payback CAC**
  - This is the number of months it takes you to earn back the CAC you spent to get a new customer. You take the CAC and divide by margin-adjusted revenue per month for the average new customer you just signed up, and the resulting number is the number of months to payback.

**Life Time Value of Customer:** If you have a business where customers pay one time upfront, this metric is less relevant because the upfront payment should be greater than the CAC, otherwise you are losing money on every customer. On the other hand, if your business relies on customers who pay a monthly or annual fee, you usually want the 'payback time' to be under 12 months, meaning that you become "profitable" on a new customer in under a year, and then after that you start making money.

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Once you have these figures at your fingertips, no longer will sales and marketing be a cost, but a true integral part of your business that needs investment.



## SUMMARY

Sales and Marketing is no puzzle. In fact it is far easier to solve than the Rubik's cube. However, they are alike. To unravel the Rubik's Cube all you need to do is take the time out to carefully follow the step by step instructions, after which all you have to do is remember the process. Once committed to memory you will unravel the puzzle time and time again.

Your sales and marketing, like the other facets of your business, needs time capacity and knowhow. Instead of being able to download a solution it will be found within your business, competitors and the sectors you operate within.

The rewards for spending this time are high. For once you are confident that the money you are investing in this facet of your business is delivering a profitable return you will only wish to invest more. Interestingly, others will wish to help you make this investment too.

The peace of mind you will gain by taking these steps is "life changing". Unfortunately until you do it, you will have to take my word for it.