



## BUILDING THE BRIDGE TO YOUR TARGET MARKET CUSTOMERS

Executive Overview for:

### **Increasing Sales Capacity without Adding Anyone**

*"If that precious selling time that your representation spends delivering your differentiated message to a targeted customer is so important, why don't you devote more quality time to understanding and evaluating how you can double or triple that time in front of the customer? Finding additional sales capacity without having to add people is like picking up lost money on the street.*

*Everything you do and every dollar you spend on marketing, websites, digital analytics, automated stay-in-touch systems, webinars and personal stay-in-touch calls and e-mails are all designed to accomplish one thing: to allow you to present, in person, your value proposition to a targeted buying influence and ultimately build a relationship and achieve a sale. All of the planning time a sales person invests up front is all designed to produce one thing.... the in-person sales presentation. Creating additional sales capacity within your sales organization to generate more of those in-person sales visits is critical to cost effectively meeting your sales growth goals." - YourBoard.US*



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## **Sales Call Capacity – Individual and Company**

The most important point regarding the Science of Commerce that can be made is that the most critically important time investment there is takes place when an individual can represent and personally present a differentiated solution directly to a buying influencer that may have a need for that solution.

Everything your company invests in product development, marketing, administration and sales is focused on achieving one thing and one thing only...**getting the message of differentiation** to the right decision making influencer to achieve a sale.

I always ask myself, if that precious selling time that your representation spends delivering your differentiated message to a targeted customer is so important to the success and growth of your company, why don't you devote the time to understand and evaluate how you can double or triple that time in front of the customer?"

There is a lot to the analysis and understanding of your true sales capacity.

As it relates to a sales person's role in support of independent distribution, sales capacity is only increased by the amount of time you invest in joint activities with your independent rep team within your territory. With independent reps, much of that time can be spent in training and support that you hope will be leverages to produce increasing sales from each of the many reps and "Rep Champions" you are working with and developing.

If your model is "direct sales" you will be able to take full advantage of this analysis and, ultimately, the techniques used to increase "sales" time and generate sales growth.

Even if you use independent representation, your "company" sales leaders and sales managers should go through this evaluation that results in setting productive goals as it relates to time in front of the customer.

Sales capacity should be considered at both the **macro** company level and the **micro** or individual level.

## **Human Sales Capacity from a "Macro" Standpoint.**

In most situations (not all but most) you can determine what the capacity or amount of sales dollars production is considered normal for an experienced, seasoned and successful sales person by merely tracking their historic sales. Likewise, you can do the same for a less experienced sales person.

It is a good idea to document the last 3 years of sales production for each of your experienced sales team, with some additional information regarding years in the business, and years at your company, etc.



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**Business Development Profile (ranked by the average sales per year)**

Sales Person	Years in Sales	Years in This Industry	Years With These Products	Years With the Company	3 Years Ago Sales	2 Years Ago Sales	Last Year Sales	This Year's Projection	Average Sales Over the Previous 3 Years	Comments

**Estimated Sales Capacity for an Individual**

Based on the historic data accumulated above what would appear to be the annual sales capacity of an individual:

Experienced or high performing:                   \$ \_\_\_\_\_  
Less experienced or moderate performing:       \$ \_\_\_\_\_



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**There are two reasons we go through this macro sales analysis of the sales team.**

1. To make an effort to see who the high-performing sales individuals are and put comments together as to the main drivers of that performance i.e. inherited a good territory or is a very credible sales person with a good work ethic and strong relationship building skills, or has been in the territory or region for 35 years, etc.

You are trying to identify the drivers that make the successful sales in your company people really successful. The high performing sales leaders become the benchmark for your sales team. By contrast, you evaluate people with equal experience but less successful results to determine what the differences are and, more importantly, what support can be offered to bring the performance to the upper benchmark created by your top performers.

Obviously, new sales people or people new to the company will need time and nurturing to determine if they have the qualities to make the upper echelon of performance. By doing this exercise you can establish the benchmark goal for all current and new Business Development people. We must have a defined plan to close the gap between the High Performing members of the sales team and those that are not so productive. If you have associates with outreaching personalities, it may be just training and presentation support that is needed. Unlike many other positions within a company, it doesn't generally take too long to determine if a Business Development Professional has the DNA to be successful or not.



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2. The second reason we go through this macro sales capacity analysis is because when a sales person reaches the upper end of the established and benchmarked capacity, in order to grow the business, you are no longer going to be able to count on much more additional growth from a person that has hit the high end of his capacity. This person generally becomes more service oriented and less new sales oriented when he reaches capacity. As you know, it is often difficult to transfer relationships so the high performers who have reached capacity should continue to sell to their established clientele, and be recognized and rewarded for doing so. The nature of the “required business” relationship with your clients will determine how easy, or not, it is to transfer relationships.

Never belittle a sales person who does a great deal of business but does not add many new customers.

In order to achieve growth, the leadership of the company is going to have to determine how to move the moderate performers up to the high water mark or make substitutions.

If most of the team is around the high water capacity benchmark, it will be necessary to add sales people or move newer sales people up the ladder quickly to allow sales growth to continue.

The real objective of sales leadership is to understand what the high performing benchmark is so that you can establish training, initiatives and goals to get everyone to that level. Attempt to understand how much selling capacity you need to effectively cover your current customers and penetrate your prospective markets. We usually measure sales capacity by the average number of sales calls that are made per week or month by our top sales people. If you determine that you need more sales capacity to penetrate your targeted market prospects, rather than add sales people, work toward raising the performance of your middle and lower performing sales associates. The goal is to fill your sales capacity needed to expand your business by **moving the performance level of all of your sales team up to the level of the top performers** not by adding additional sales personnel.



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## **Farmers and Hunters**

Everyone has heard the comparison between the two major categories of “selling mentality.”

The **Farmers** continue to service and support the existing business. They usually do a great job of taking care of and maintaining the existing relationships and business. They stay on the farm and make sure the existing fields are productive.

**Hunters** go out each day, far from the farm in many cases, to wherever the wild game is herding, to hunt and kill the game needed to provide nourishment for the family, or in our case the business.

I have witnessed over 40 years that the difference between Hunters and Farmers is in the core profile of the person. Farmers are servicers and supporters and Hunters are true outside sales people who thrive on finding and securing new business.

Farmers are great inside sales people, sometimes even good customer service people. They can also be great technical support people. Farmers get their motivation from taking care of the customer, doing proposals, solving problems and harvesting the most from their existing customer base. They generally “feel” like they are selling when, in reality, they are doing the activities that allow future sales to occur. You cannot do without Farmers in your business but you will frustrate them, and yourself, if you expect them to generate a lot of new business growth.

Most schools of thought would say that it is actually not a good idea to consider inside sales a career path to outside sales. The inside sales or customer service department can be a training stop for short periods but should never be a long-term position that is looked at as a stepping stone to outside sales.

Again, the core personal profiles of the people that are successful in those two job categories are not the same.



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## **A few caveats...**

On occasion, you will hire an inside sales or customer service or technical support person that has the core attributes of an outside sales person.... a Hunter.

This will generally become obvious, because that person will not be happy for long as a Farmer on an inside sales desk. At that point it will be up to the sales leadership to determine if the full set of qualities and skills you need for outside representation are present.

Another caveat to the theory of Farmer-Hunter personal profile differences is that a great outside sales person, a Hunter in his final years of service and after he has filled up his capacity by building a large book of business may slide over to becoming more of a Farmer. If this occurs, we must identify it and not fool ourselves in thinking that person is still a Hunter.

A huge problem is that the aging Hunter's sales coverage and penetration will diminish because they are at capacity. This person, however, will still fight you for every new customer lead and still wants every target and prospective customer on his 10-10-10 target list along with every other prospective lead available because he still has the old Hunter instincts and attitudes but, unfortunately, now has the Farmer day-to-day performance traits.

The major problem this creates is that a lot of good targeted customers and pre-qualified leads within the "Old Hunter's" territory are not getting the sales development attention because the "Old Hunter" will not let them go and sales leadership, out of respect, will allow that to occur.

It is difficult but critical to identify when an "Old Hunter" is at capacity and allow him to transition into being a Farmer of the business he has built and provide the leads (even if they come from within the "Old Hunter's" territory) to a sales person who has the capacity and personal motivation to develop them.

These types of situations are difficult but must be dealt with properly and with respect. Never should an "Old Hunter" be devalued in his role as a "Farmer" if he continues to maintain and service a large book of the company's profitable business. This "Old Hunter" may have been the person who built the sales growth that helped get your business where it is today.

## **Bait and Switch is never a good strategy... it really depends on the industry and situation.**

There are several philosophies of how you can transfer the newly developed business from the outside sales "Hunter" over to the people who will do the "fulfillment" engagement or project management or inside sales to allow the outside sales person to move on and continue hunting.

In other words, have the outside Hunter initiate the business, then turn the relationship over to the operations people and allow the outside Hunter to move on to the next target. I have seen this work with models like ADP, (The National Payroll Company) where the operational relationship is the key to customer satisfaction and also the only contact person.



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The key to determining if this will work is how long and how much of a relationship had to be developed at the outset to secure the business and how close in proximity to the customer is the Operations (product or service delivery) Team that will execute the work and maintain the ongoing relationship. If the initial sales Hunter-client relationship is somewhat shallow and the sales cycle was somewhat short, and the transfer of relationship is to someone who will be involved early and on an immediate and ongoing basis, then the relationship transfer can be successful with no need for the sales Hunter to stay involved with the customer.

This means there is no residual capacity being taken up in the sales Hunter's schedule. Under this scenario the sales Hunter really never runs out of capacity.

### **Do not mix the two models of bait and switch and the need for a residual relationship**

It is critical that sales leadership and company ownership do not fall in the trap, however, of thinking that all customer personal relationships and dynamics within all industries are the same.

Many of the new sales development relationships take a longer period for development and rely heavily on the trust and credibility that was built at the outset by the sales person. In these cases, the business relationship and business itself can be disrupted significantly if the initial sales or account **management relationship is not maintained and nurtured over time at some level.**

Now having said that, I will continue to report the mantra that both sales and "after sales" service and support are a team sport. It is the company's total team that maintains the business and allows the sales representative to maintain the relationship over time. After the sales and start-up of the ongoing delivery relationship are completed and the inside sales person and possibly the customer service and technical support team is defined and the operational or engagement support is established, the goal would be for the outside Hunter to wind down their time and merely touch base periodically and be there if there is a problem. As defined in the 10-10-10 philosophies, they would move into an "active maintenance" or "active target" mode. The goal of the outside Hunter, under this more prevalent scenario, is to manage, improve and expand the relationship with the key buying and specifying influences. Networking and keeping new or existing customers informed of all new products, services and technologies and staying focused on assuring the company stays committed to the scope of product and service performance that was initially promised, remains a key role of the sales person. The Hunter should be charged with maintaining a broad base of contacts at each of their active customers so that when a key customer contact leaves, your company is still connected at several levels.

This ongoing role of the outside Hunter, as it relates to maintenance accounts, is covered in the 10-10-10 process and is called the "active-maintenance" strategy. The 10-10-10 philosophy calls for 10% of the sales Hunter's time to be spent with his active maintenance accounts assuring the relationship is strong and expanding and that the company's scope of commitments are being fulfilled.



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Going back to the initial premise around sales capacity of the individual sales Hunters; over time if a senior sales person is very successful, his active account base will be so large that it will require more and more of his time to fulfill the mission of keeping his current active account base positively engaged with our company and its product and service solutions. Sales and company leadership must stay very conscious of where a successful senior sales person is with his capacity limitations as he/she moves more into “maintaining existing” business, which is obviously of great value, so that other sales Hunters can take new leads within the territory to keep the “sales penetration” strategy at max operating performance.

We should never penalize a successful sales Hunter, who is meeting the high capacity benchmark in sales activity, as he needs more time to service and support his relationship based clients. If a sales Hunter starts with 10 active customers and spends 10% of their time performing the active maintenance strategy, consider what happens when a successful senior sales hunter has 50 or 60 customers, it represents 50 or 60% of their time just putting fires out and maintaining a positive relationship going forward. Hopefully, those “active” accounts, developed over time, produce sales revenue at the high benchmark level or adjustments to personnel must be made.

### **The micro or individual sales capacity analysis**

I think we can all agree that “personal time in front of our targeted customers and buying influences” presenting our “differentiated” value proposition is the most critical investment of time and individual sales capacity that can be made toward the growth of your sales and success of our business. Your sales leadership and company leadership should have the primary goal of keeping our sales people with their “message of differentiation and value” in front of our targeted customers and determine what other resources and processes need to be applied or adjusted and what functions need to be moved to others to make that happen. Often, you take your focus off the simple dashboard data point of “how much time” do you spend face-to-face or in contact with your targeted customers promoting your value proposition to your pre-targeted buying and specifying influence. How much of a business development professional’s time is either in front of a customer, presenting a webinar to a customer or conducting “stay-in-touch” calls with, or e-mails to, a targeted customer is a critical indicator of company success.

The selling process should be organized in a way that allows the sales professionals you have hired to spend 90% of their time involved with customer interaction of some type. Setting up the selling processes and expectations and organizing the sales support processes properly will allow you to pick up a considerable amount of individual sales capacity without adding a single person.



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## **The Facts about Actual Available “Selling Time”**

This section becomes a reality check on how expensive a sales call actually is. By the way, it has always been expensive, and even after you make the sales time efficient, it is still expensive. Your mission is to make this business development expense productive to the max, and not consume it with duties and activities that could be handled at much less cost. Good sales leadership is constantly looking for ways to free up “selling time” to do just that...be in front of a customer presenting our differentiated solution. Delegate the simple detail tasks and hold the sales people responsible for the most important function in the company which is revenue and gross profit growth.

## **Sales Visit Capacity Analysis- The overarching philosophy**

**The role and responsibility of each business development person is to apply their product and market knowledge, their outreaching relationship development skills and their ability to create a competitively differentiated solution to “in person sales visits” and presentations with the goal of achieving a long-term client relationship based on trust and confidence, resulting in new business wins and continued growth.**

The success in developing a client relationship itself hinges strongly on the amount of time each person can apply their relationship developing skills in front of a current or prospective customer.

**What time capacity do you have to devote to the art of customer interaction? We call that valuable time in front of the customer...the sales visit.**



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## Sales Visit Capacity Analysis

Consider the following:

You start with 52 weeks per year

You Deduct:

Holidays & Personal Days 2 weeks (10 days)

Vacation 3 weeks

Sales Meetings and Training 2 weeks

Non-selling weeks  
(Christmas/Thanksgiving) 2 weeks

Trade Shows 1 week

Remaining Productive Weeks 42 weeks

Generally, there are no more than **42** productive work weeks in a full year that can be fully devoted to the Business Development Process.

### **How many quality customer visits are achievable within a standard 5-day week over those 42 productive weeks you just identified?**

One of the first things you need to do is have an agreement between the sales person and sales leadership as to what "sales visit capacity" looks like for each individual based on the Product/Service category and industry you are in, the geographic size of the territory being covered, the density of the customers within the territory and the amount of customer prequalification that takes place in advance to pre-qualify target customers and buying influence leads.

Since every human being alive only has so many hours in a day and so many days in a week, month and year, you must take the steps necessary, as sales and company leaders, to be certain that your "sales" resources are representing your product and service solutions in front of targeted buying influences, a very large majority of the time.

The Sales Team should not be doing paperwork, putting marketing and presentation materials together, trying to identify customers and traveling during the productive daytime hours.

It is a leading philosophy that it is much more cost effective to employ lower level, part time or co-op researchers who can both research the Industries and customers that you want to target when building your targeted prospect list, and then go on farther to do additional research on who the contacts are that fill the positions of the key buying, specifying and user influences that you need to contact to secure the business.



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That research, performed by productive lower cost co-ops and part-time people, who are intuitive with the Internet and good on the telephone will provide, at a very low cost, both prequalified prospects to be placed into the 10-10-10 system for the outside sales person to contact and qualify and also a good list of targeted contacts that can be placed on the “stay-in-touch” Automated Contact System to potentially generate future interest. Many really good co-ops, and lower cost part time people, can be trusted to make customer contact, e-mail out information and, at times, set up an appointment or lay the groundwork for a sales person to set up an appointment with the prospective client. A small bonus should occur if an appointment generated in this fashion leads to a sale. Having this internal lower cost resource is very critical to maximizing the sales visit capacity of each business development person.

Keep in mind, within each business development person's 40- to 50-hour week, in addition to traveling and making customer calls and presentations, there are three additional blocks of time that must come out of the “selling time” bucket.

1. Setting appointments, hopefully from pre-qualified leads, usually two to three or more weeks in advance to fill the committed sales visit capacity.
2. Time for calling a quantity of the key contacts you have designated as personal “stay-in-touch” contacts to follow-up with them to see if there is anything going on that you can support them on. (This was previously covered in the personal “stay-in-touch” segment.) Also during this period follow-up on all active (RED ZONE) proposals.
3. Time spent preparing and presenting webinars to cover product differentiation topics with a Team of interested buying influences from a single customer prospect. These webinar sessions should be promoted and set up by internal marketing support or your outside marketing firm from your database of targeted customers and contacts that you invite.

After all of these considerations it is now time to jointly make the weekly sales visit commitment, based on the data we have just discussed. This weekly commitment would be for an average week during the 42 productive weeks per year.

## **Finally**

**The weekly Sales Visit Plan \_\_\_\_\_**

**X 42 = \_\_\_\_\_**

**Sales Visit Plan for the Year**



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