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## **Sales Strategy as a part of Integrated Marketing Communications**

**Summary and Introduction:** In all the best textbooks Sales of all kinds has always been placed as a Part of the Promotion Mix. The Promotion Mix is the last of the four golden 'p's of Marketing planning, preceded by Product, Price, and Place. In the last few years the traditional Promotions Mix articulated as Advertising, Personal Selling, Public Relations and Publicity and Sales Promotion or Promo tools has broadened as routes to market and channels to market have evolved and grown. Sales are now recognized as being a part of the Communications mix used in marketing a product. Within the Communications mix, sales can be in many forms; selling at events, trade shows and point of sale, inbound and outbound call centers, strategic account and key account management, hunting and farming transaction selling, and customer service and after sales service to name but a few. This can cause confusion, as Sales can be seen to be a part of another element of the traditional Promotions mix, manning a trade stand or follow up calls from an e-marketing advertising campaign are two examples of this.

In the last few years the four golden 'p's has been expanded to seven, by adding People directly involved in Go to Market, Process of engagement which includes pre, during and post sale, and Physical evidence which includes tangibility of service, third party involvement etc. In this instance, some organizations now plan Sales not in the Promotion mix but under the People category.

Wherever sales is positioned in a plan, and this often depends how important Sales is as a part of the overall strategy, it firmly places Sales Strategy in the Positioning strategies of 'Go to Market', and suggests that Sales strategy should not be developed until a Marketing Strategy and Go to Market Strategy, with the detail of Segmenting and Targeting explicit in these strategies is fully agreed upon.

As the current market is discovering that most selling occurs to existing customers who are open to discussing a more integrated and 'made for them' product and service offerings, the key is to understand how many channels or routes to market may be used to service a very big customer or cluster of customers. The impact of selling to a brand new customer who might potentially be competing with an existing customer must be taken into account. This has led to the development of a series of processes for managing new and existing customer relationships that also drive added value and brand value. Sales in its many forms are perceived to be at the heart of most of these processes, and have become known as a part of the Integrated Marketing Communications Mix.

At the center of this is the realization that the Communications mix is becoming increasingly complex and that very big and public mistakes that impact on brand and perception can occur if a cross-functional process is not in place to strategically control or influence all messages sent to target customers or customer clusters and existing customers.

These new trends fuel the debate that is raging across continents about the total integration of marketing and sales departments and many organizations are busy creating matrixes to cope with the new organization and new marketplace.

Sales Strategy therefore cannot be made in isolation, and this Think Piece is devoted to how a Sales Strategy should be developed as a part of Integrated Marketing Communications.



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### **Major Strategic Sales Management Decisions.**

**First: Establish Objectives.** Most Sales Strategies are written each year. They must never be written in a vacuum. They must reflect the Environmental Trend analysis, Business and Competitive analysis, Resource analysis and the Strategic Directions given by the Strategic Marketing Plan for the Business. From this Plan, one or a series of Go to Market Strategic Plans will be developed and the Sales strategy must reflect the objectives set in this planning process. All Marketing Strategic Plans must set sales goals and capacity planning goals. These will be reflected in the Sales Strategy. Integrated Marketing Communications will also insist that the Sales plan will reflect all other elements of the promotion mix, so the right price and the right message with the right brochure or emarket message and the right promotion are utilized at the right time.

*Acid Test: Do the Strategic Sales Objectives reflect the strategy of the organization, the targets and goals set and are synchronous with all elements of the Marketing Communications mix?*

**Second: Develop the Engagement Plan.** A) The first stage is to consider how many new accounts need to be targeted and how many existing accounts need to be developed and serviced. This will be driven by the outcomes and targets of the Marketing Strategies. B) Next is to categorize potential and existing accounts in terms of a portfolio based on customer attractiveness. Many organizations use titles such as platinum, gold, silver etc. and these also determine levels of service, discounts, incentives such as joint marketing or training etc. At this stage many organizations draw directly from the Strategic plans and develop engagement plans based on Verticals (Banks, Healthcare etc), Market levels (Partners, Customers, Distributors, VAR's etc.) or even pure Behavior Segments (Early adopters, Golf freaks etc.). C) allied to the customer portfolio and the engagement planning is to place new business opportunities into the portfolios and engagement plans. This will give a sense of additional sales resource allocation needed. D) Review existing Account and Sales Coverage Plans to see if they still fit the needs of the new strategy. Each part of the portfolio must be tested and decisions must be made about Geographic coverage, and/or Customer portfolio coverage, and/or Vertical Specialists, and/or concentration of resources in areas of high growth. It is inevitable that different types of sales people will be put in place, depending on the portfolio, customer need and actual sales activity.

*Acid test: Does the Engagement Plan reflect the strategy and also the way in which the vast majority of customers and potential expect to be handled by a sophisticated Marketing Communications led organization? Will what is proposed have a good chance of meeting targets?*

**Third: Consider Organization, Targets, Remuneration, Resources and Controls.** The Engagement Plan will drive the organization. A) Part of the key is to understand how the Organization interfaces with Key Customers. If the Regionalization, Verticalization or Segmentation means many different sales people are interfacing with one customer, then the appointment of a Strategic or Key Account Manager might be essential to 'conduct the orchestra'. The problem with globally reaching organizations can be the size and complexity of the Sales organization, which might lead to a less than an integrated Marketing approach. This stage should be carefully considered. One current dilemma facing many sales organizations is where the High touch or embedded in the customer sales person fits into the organization, and therefore who owns the revenue and the target. B) Once the organization is in place, sales targets must be placed alongside. There are many different ways of estimating the Economic value of a sales account, but it is obvious that a sales target should be at least five times on target sales earnings, and in the case of low margin product, the multiplier will be considerably higher. When a target is shared by a channel organization or a team, profitability potential and percentage attribution can be real dilemmas. C) Remuneration packages should then be considered. On Target Earnings is the normal approach, with a combination of basic salary and a benefits package. Bonus on sales is an increasingly complex issue, with many organizations placing the emphasis on customer facing team targets, with individual new business targets. D) The final element is the resources to ensure the organization works smoothly. The questions normally asked are; how much technology, how much physical sales support, how much internal communications, and in a highly proposal driven organization, how much personal assistant support. E) The targets and the goals should drive the controls. It is absolutely essential that early warning systems are built in. Control systems viewed by sales people should be as focused and as simple as possible, to avoid the tedious sales meeting when every individual column of figures is analyzed. The details are for managers and leaders to understand strategic trends and develop corrective actions.



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*The Acid Tests: Will the organization enable the strategic goals to be met? Where are the likely stress points? Do we have enough early warning systems and processes in place to detect early deviances from plan?*

**Fourth: Leading, Managing, Development, Motivating, Coaching, Mentoring and Appraisal.** This final stage is often not considered very thoroughly, or new style organizations are made to fit into old silo hierarchies. A) Leading and Managing must be appropriate to the organization developed to the resources needed, to the amount of new product or services that have to be sold, to the amount of change that is strategically being place into the sales process and the new knowledge and techniques needed by all the sales people. In many sales matrixes, Leaders and Managers may have two core responsibilities (viz. Geographic region, product line specialization, vertical specialization, sales specialization, key account management etc.). Here an apportionment of time and perhaps bonus should be considered. B) There must be an Organizational Development plan, totally aligned to the strategy that develops, coaches, mentors and supports on the job and off the job. Planned correctly the OD plan will be integrative with the decisions made for the Leaders and the Managers and the underlying theme will be motivational. C) Finally, motivational events should be planned. Selling can be lonely and rely heavily on self starting. Unless sales people feel a part of an organization, a team, and be proud of their product or service, there is a tendency to 'go native' after a period of time, representing the customer before company. Great companies might allocate up to 15% of a salespersons life to training, development and motivational activities.

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