

The Sales Professional® Monthly Sales Tip for January 2011



IBLS

From the desk of **Bob Butler**

Greetings Sales Professionals,

Three down and two to go! In September of 2010, I introduced the five critical sales activities that all Sales Professionals must master: Evaluates Accounts, Plans Strategies, Sells Growth, Protects Profits and Reports Actions. We're now ready to discuss the importance of Protects Profits as a critical sales activity...and a big one at that! Revenue, Margins and Marketshare - oh my! This is not a trip down the yellow brick road, mind you. This is all about growing and capturing marketshare, especially during these interesting times. I recently met with a residential construction supplier who has seen a 50% drop in new home construction over the last two years, but managed to gain three points in marketshare. Another company saw 2008 and 2009 sales plummet and still managed double digit growth in 2010 with higher margins than before. Yes, it can be done but it takes a dedicated sales team that is in total alignment with its strategic initiatives and is implementing them.

Protects Profits is all about treating your customers as a resource. Do you? How do you protect your current accounts? Each account is a resource - an asset to your company. Do you know what an account is worth today? What does it cost your company if you lose an account? Remember, all accounts are at risk today due to competition, service failures, personnel changes and other external factors that we can't control. So, it's important that you successfully handle the present business in an account before you plan to grow the business. Sell deeper and wider in existing accounts and watch the opportunities occur.

How often should you call on accounts? How quick can things change? Sales reps can get "trapped" by spending too much time in their key accounts which causes the others to suffer, too. Being visible and knowing how much time to invest in your accounts is all part of protecting profits. This is where Team Selling comes into play. Try to free up selling time to maximize selling effectiveness. Continue to document cost savings and productivity gains to protect your accounts. Also, developing business plans with your customers helps keep them moving forward too.

Maintaining relationships is part of protecting profits. You must continue to build relationships with the customer buying team. Multiply your efforts as the account manager by "matching up" your sales team members with their buying team members. You need to consider developing top management relationships to sustain these accounts. Invite them to your facilities and provide the VIP treatment. Effective use of entertainment can also help secure these accounts. You want to create the "mind share" so they think of you first.

Lastly, Protects Profits entails knowing financial terms and facts. 90% of us cannot read a P & L Statement. Understanding the customer's business and finances are equally important to protecting accounts. Being knowledgeable in total procurement costs, costs of carrying inventory and other financial considerations helps you to become a better partner and advisor to your customers. You must constantly resell your value and justify your pricing as you move up and sell deeper into these accounts. It all goes back to documenting your unique factors and value added services with these customers. "What got you there, you must continue to keep you there."

I hope this has been helpful to all of you. We're now in 2011 and many of us are in a "state of transition" with most of our accounts. It's time to step up our initiatives and become more assertive with these customers so we can better serve them in the future. I'm available if you need any assistance! Have a wonderful and joyous New Year!

Good Luck & Good Selling!

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