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Crucial Strategies for Doubling Revenue

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In visiting with some of the world's top sales and marketing thought leaders, as well as CEOs whose firms are seeing dramatic increases in revenue during this downturn, several actionable ideas have emerged which you can act on immediately.

1.) Dramatically Reduce Sales Cycle Time

The first is from Dr. Victoria Medvec, negotiations expert from Northwestern University and author of the series *High Stakes Negotiation: Ten Steps for Maximizing Outcomes and Building Relationships*. Nothing improves cash flow (CFOs are fans) and revenue more than reducing your sales cycle time. And an important technique to dramatically reducing it is to use synchronous communication throughout the sales process.

“This starts with NEVER presenting a sales proposal to a customer without being on the phone or in person with them,” notes Medvec. Emailing a proposal to a customer ahead of a meeting doesn't give you the opportunity to react immediately to potential concerns and objections that might arise as they read through your proposal. And the more time the customer has to ponder an objection and potentially pollute their colleagues with negative reactions (or spouse if it's a business to consumer sale), the more difficult it will be to move the sales process forward.

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Even if the customer is adamant about receiving a proposal ahead of a physical meeting, suggest it will save them time if you can review the proposal over the phone and that you'll email it to them a few minutes before a scheduled phone call. What you and your sales people want is the opportunity to see, hear, or at least sense specific objections, as you review the proposal, so you can react immediately. And then you want to continue to utilize synchronous communication for the rest of the sales negotiation process i.e. if a customer emails back a question, pick up the phone and discuss with them vs. simply emailing an answer back – it gains you more clarity, builds the relationship, and avoids misunderstandings that come with email.

“I've seen this single technique reduce sales cycles from months to weeks and even to days,” concludes Medvec. Fred Crosetto, CEO of Seattle and China-based Ammex, who has seen his company achieve record revenues the first part of 2009, is so convinced of the power of this technique that he's driving it across his entire company using Medvec's series.

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2.) Pricing with Confidence

Of the four P's of marketing, price is the only one which directly puts money in your pocket. Yet I find companies setting price with very little strategy behind their decisions. And panicked decisions about pricing in turbulent times can be costly in both the short and long run. For answers, it's imperative you read *Pricing with Confidence: Ten Ways to Stop Leaving Money on the Table* by Reed Holden and Mark Burton (and subscribe to their blog). Pay particular attention to Rule Three in their book where they outline three simple pricing strategies all firms can use.

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Noted Burton in a recent conversation, “too many firms have gotten caught flat-footed and are using price discounts in a panic to try to keep demand that is going away no matter what they do. The firms that do this are creating two very significant long-term problems. First, they are destroying the integrity of their pricing and the value of their brands. Second, they are training their customers to negotiate for every last penny thus undermining their most valuable asset – trusting customer relationships.”

Both of these forces will make it extraordinarily difficult to bring prices back up when the economy finally does turn. In addition, it will take much longer to bring prices back up to a level that reflects the true value of the goods and services being sold.

Burton suggests the way around this is to look objectively at pricing as a strategic tool that must be managed systematically based on value, market demand, cost structure, product lifecycle, and firm capabilities. This view leads one to make decisions on the basis of preserving and gaining pricing power be it through reducing capacity to match demand, introducing low price – low value offerings, or making systematic adjustments to price lists so that list and street prices are more in line.

3.) Multiple Channels

“Place” is one of the other four P's of marketing. And research by Neil Rackham, the father of modern sales and sales management techniques, reveals that companies with more sales channels trump competing firms with less.

This means setting aside all the debate about protecting various territories and giving your customers as many options for purchasing your product as you can. In the end, you can't dictate from whom and how your customers will purchase your products and services. They all have different preferences and will find competitors who give them these options.

In turn, it's up to your various sales channels to earn their right to distribute your services. If the customer wants high touch, value-added consultative help in purchasing your product, they'll utilize that channel. If instead, they prefer to

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“do-it-themselves” then give them that option as well. Read *Changing the Channel* by Michael Masterson and MaryEllen Tribby as they detail how to utilize a dozen different marketing channels for your business. Case in point – as I’m writing this column on a flight to Australia, I’ve been visiting with a Sydney-based entrepreneur who has seen his revenue jump 70%. One key is a website he’s launched that allows his do-it-yourself customers to purchase products direct from his factory vs. through his normal agency channels. To smooth over what could be contentious channel conflict discussions with his agents, the website does offer a slightly different product line and it trades under a different name. However, he’s utilizing multiple channels nevertheless and it’s driving revenue.

4.) Half the Customers; Twice the Attention

Though a repetition of Neil Rackham’s advice I shared last year, more than ever you need to identify your best customers and shower them with twice the attention.

Chet Holmes, author of mega-hit *The Ultimate Sales Machine*, drives home this point in Chapter 4 of his book. Holmes, who doubled sales three years in a row for nine divisions of Charlie Munger’s firm (Munger is Warren Buffett’s partner), encourages firms to focus on their Best Buyer or Best Neighborhood and then create a nurturing marketing campaign that touches these customers 10 to 15 times with educational information. If you’re not familiar with nurturing marketing, also read Jim Cecil’s book *Nurturing Customer Relationships*.

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It starts with doing a thorough job of researching the benefits of your product or service. For one major roofing company, Holmes’ market research firm found that a large percentage of the time a roof is replaced when it only needs repaired. In turn, greater than half of all building maintenance problems emanate from problems with the roof. Armed with this research, the company structured an educational campaign that reached out to the owners of large facilities every two weeks over a period of months, which dramatically increased warm leads for the sales team to close.

5.) Web 2.0

The third P of marketing “promotion” has taken on a new twist given the power of the web to reach customers. Given the confusing array of terminology and options, read David Meerman Scott’s best-selling book *The New Rules of PR and Marketing: How to Use News Releases, Blogs, Podcasting, Viral Marketing and Online Media to Reach Buyers Directly*.

The title itself gives you a flavor for the array of inexpensive promotional opportunities available to a growth firm. And his book is the first to explain the options in a way I find non-tech growth company executives can understand and implement. Though I’ve not read it yet, he has a new book that should be out by the time you read this column entitled *World Wide Rave: Creating Triggers that Get Millions of People to Spread Your Ideas and Share Your Stories*.

“KEEP ON LEARNING”

More than ever, the field of sales and marketing is undergoing a transformation while harkening back to basics that have always been critical to driving revenue. As Crosetto, CEO of Ammex, shared with me,

“It’s a mystery to me why companies cut back on learning and training in down time. Now is when more focus should be put on training and capturing opportunity.”

So grab a book and start innovating in your sales and marketing activities.

