

What Is a Sales Strategy and Why Is It Important to Have One?

Why is it that everyone believes having a strategy is important but many businesses don't have one? And no, a lack of a strategy isn't a strategy in and of itself, and contrary to popular belief, hope is not a strategy.

So, what is a strategy and why is it important to have one?

Strategy is defined as a *careful plan or method*.

Think back to your last sales or marketing campaign. Did you have a careful plan or method in place? Did you execute that careful plan or method effectively? Did that careful plan or method work or fail? Did you have a way to measure that success or failure and did you react to that data appropriately?

I've seen countless sales reps and businesses flounder or fail because they lacked a sales strategy. Without one, you must rely on luck, and unlike skill and hard work, luck tends to run out.

Some businesses think they have a strategy but often the "strategy" is merely an idea or a hope. For the strategy to be a *careful plan or method*, it must contain the following key components:

- The strategy must be specific and detailed.
- The strategy must be measurable.
- The strategy must be attainable.
- The strategy must be realistic.
- The strategy must be time-sensitive.

These components are important because if you do not know where you are going, how are you going to get there?

Let's look at a company facing such a dilemma.

A custom machine tool builder selling to the automotive industry decides it wants to go after the medical market where there is more business at higher profits. Its "strategy" is to bring on a new line of machine tools used in that industry. The company posts the information on its website, generates great brochures, and then. . . .*nothing*.

Why didn't anything happen? Because the company didn't have a strategy to enter this market.

How is this company going to change its shop in order to be accepted as a custom machine builder in the medical industry? How is it going to train its operations staff, project managers, sales people, programmers, and installers?

What exactly is the company selling and to whom? Who are the contacts? The decision-makers? What is the decision-making process? The buying criteria? The sales process? How will the new line be priced and will it be accepted by the market? What is the competition and what advantages/disadvantages does the competition have?

What are the sales goals? How will those numbers be achieved and in what period of time?

These are **very basic** questions that need to be asked and answered **to build** a strategy. Yet they weren't in this case – why not?

Probably because the company didn't know what questions to ask. Or perhaps it thought that one market was similar to another market and that the same strategy could be employed.

This is a dilemma that many companies face, especially companies that have historically sold to just one market. That is all they know, therefore, the same rules must apply. However, as we saw in our example, this is not true.

Finally, whatever your strategy, you would be wise to frequently review it. If there's one thing we can count on, it is change. Rest assured your market has changed since you first developed your strategy, and it will continue to change. Therefore, it is important to make adjustments to your strategy based on current market trends. It is also advisable to employ the use of outside counsel, those whose opinion you value and trust, to work through strategy reviews with you. This helps in minimizing decisions based on emotion rather than market data.

In our next article we will discuss what to base your strategy on – the important questions to answer. This will be helpful to those with or without a strategy.

Until next time...

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