

SALES EXCELLENCE

SALES EXCELLENCE EXPLORES THE BEST PRACTICES ON IMPROVING SALES EFFECTIVENESS BY IDENTIFYING INDIVIDUAL DEVELOPMENTAL NEEDS

THE ABC'S OF ACCOUNT STRATEGY

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THE ABC'S OF SELLING

In some sales training circles, the ABC's of selling stands for **A**lways **B**e **C**losing. For our purpose, **ABC's** of selling is a strategy based on ranking and classifying your current and potential customer base. *Always Be Closing* is a policy I subscribe to myself and one you need to learn to adopt, but I am referring to the **ABC's of Account Strategy** as a strategy-based approach that is focused on optimizing your time, your income, and your account management strategy.

Where and how should you be spending your time? Obviously it is where it pays you the biggest dividend. It takes no more time per day to make \$35,000 per year than it does to make \$100,000 per year. Your dollars per hour equate to how **smart** you work, not how **hard** you work.

You have likely heard the old cliché, *Plan your Work and Work your Plan*. Well, sorry to make you think and work a little, but you have to have a plan. Anything else is just shooting from the hip. In sales you have the ability to leverage your time. Do the simple math. Let's say you are selling something to the hospital community. If you have 6 hospitals in your territory that each have 3 - 5 buildings, that will generate a certain amount of opportunity and a certain amount of sales dollars.

If you have 6 hospitals, and each have 6-10 buildings that will generate a higher amount of sales dollars than the 6 who have 3-5. Now here is the really tricky math. If you have 6 hospitals, that each have 15-18 buildings or more..... Well, you get the point.

The rules of engagement apply universally no matter what you are selling, but your time needs to be managed based on whom you sell to. If you are selling to the hospital industry, a 200-bed hospital will not have as much opportunity as a 500-bed hospital and so it can be said that the same process goes for schools, universities, manufactures, property managers and so on.

Now, does it really take any more time to call on a hospital that has 200 beds than it does to call on a hospital that has 500 beds? In theory, actually no, it doesn't. So from a simple math standpoint, you can make more money if you target your accounts and strategically spend your time to optimize your results.

You need to classify your accounts and prospects and manage them accordingly by creating a ranking system of ABC. This will help you identify where to spend your time and efforts to gain the greatest payoff for your efforts.

As an example, let's take a hospital; you can do the same ranking and qualifying with schools, manufacturers, etc.

500 Beds is an "A" account

250 Beds is a "B" account

100 Beds a "C" account

Or rank them by the number of buildings or the number of employees. It really doesn't matter, you're just trying to identify where and how to spend your time where the biggest opportunities lie.

Just keep in mind, the bigger the customer, the more layers of people, more hierarchy, and more bureaucracy. The bigger the customer, the longer it will take to convert them because of the length of the call cycle and because of the number of people who are likely to be involved in the decision-making process. Ranking them is one thing, but you must keep certain things in mind: the bigger the customer, the bigger the sale, the bigger the challenge, the harder they are to keep, the more competitive the pricing gets and the longer the sales cycle, and so on.

No matter what you are selling, your competitors want the same big, prestigious accounts just like you. There is more work to land a big account, but there is also more opportunity which equates to more money. But keep in mind, the pricing gets more competitive, the margins get slimmer, there is less loyalty and the revolving door of key contacts turns faster. There is a higher probability that they are more price sensitive and price becomes an obstacle. As well, they will likely be more sophisticated buyers and you'll need to be more knowledgeable and professional. You'll need better presentation skills, negotiations skills and closing skills.

So, identifying all the market segments in your territory or market area (do the same for property managers, etc.) and then identifying the number of buildings they each have is required due-diligence. Ranking them is the first part of getting organized to set your ABC strategy. Then you can begin to set up your strategy for going after the business that has the greatest opportunity for optimizing your time and your income. Size up your particular type of business or market and then determine what and how you will classify your account mix.

From a call strategy standpoint, you spend more time cultivating your "A" accounts than "C" accounts. You don't want to lose sight of your "C" accounts, but your allocation of time now gets put in proportion to the payoff.

Now that you have your ranking system, take your existing accounts and classify them as A, B, or C as well, but do NOT rank them based on current sales dollars; rank them based on potential. Then take your prospects and classify them as well. Now you have the start of a plan of attack and you can strategically schedule who you are going to call on. Once this is all done, your Strategic Business Partner (SBP) strategy and your Account Management Strategy begin to unfold.

There is what is called a sales cycle. It refers to the length of time it takes to develop an existing account into a SBP or a prospect into a customer and major account. The bigger the customer, the longer the sales cycle, as much as two years in some cases, so don't be disappointed; be patient, be positive and be persistent. Identifying and classifying accounts is a high-payoff activity and one you can't afford not to do.