



“On Demand” Sales Management: A White Paper

In our white paper on **Strategic Marketing**, we emphasize the importance of establishing a strategic marketing platform as the basis of all subsequent marketing and sales efforts and initiatives. The challenge that many companies face is how to cohesively integrate these marketing and sales functions in order to build an effective “sales engine”, which is critical for sustained and manageable growth.

“Sales engine” is a term often used to describe the infrastructure that a company utilizes to sell its products and/or services. This can take the form of a direct sales force, and indirect channel, strategic alliances, or a combination thereof. It also refers to the tools that are provided to these resources to make them more effective. These include various marketing materials, support policies and procedures, incentive programs, and other offerings that increase the focus and productivity of the overall sales effort.

The importance of this in delivering the desired growth is straightforward. Without a sales engine, revenue will usually be unpredictable. The ability to forecast is compromised, since no dedicated resources are in place to provide these projections. There is also a lack of consistency in the sales process, and no vehicle exists for documenting the collective selling experience.

In their attempt to build a sales engine, many small companies have experimented with hiring a full-time marketing and/or sales executive. Generally, the founders of these companies expect that the marketing or sales executive would know precisely what had to be done, then roll up their sleeves to accomplish this and achieve their sales targets accordingly. The reality is that this rarely happens; it is more likely that these marketing or sales executives become frustrated and the company founders are disappointed. One explanation is that the senior marketing/sales manager had previously worked in a more established infrastructure at a larger company, with subordinates doing most of the work for them. It has probably been a long time since they actually wrote a new brochure or created a pricing sheet themselves. In addition, they are used to having substantial budgets for executing their plans. The result is a fundamental “disconnect” between the firm’s CEO and these marketing and sales executives.

Other small companies may not have hired a full-time marketing and/or sales executive because they simply did not have the funding and infrastructure in place to hire such senior personnel. An experienced VP of Marketing or VP of Sales will cost anywhere from \$100,000 - \$200,000 per year on average, and this is well beyond the scope of most firms with fewer than 50 employees.

Clearly, a more cost-effective alternative is to hire a consultant. Marketing and sales consultants certainly abound who can assist in one or a few of the required activities, but it is unlikely that they can tie everything together and then perform the implementation in an efficient manner. Finding this type of partner is an on-going issue for smaller companies, since the requirement is a solid understanding of the client's business as well as solid practical experience and strong strategic skills. Adding to this is the fact that many entrepreneurs lack experience in most aspects of sales and marketing, which makes them justifiably hesitant to invest large amounts of money in these areas.

To marry the dual requirements of moderate cost and comprehensive expertise, small companies must find a partner who charges them only on an as-needed basis. In effect, this partner is "on-demand". They perform only the specific functions that the client company needs, which are jointly determined through an extensive business analysis. By uncovering the client's primary growth challenges, the partner can then recommend the key activities needed to re-establish the desired levels of growth. This requires the strategic marketing platform noted earlier plus identifying the process for accelerating sales. Using the positioning strategy, mission statement, and other strategic marketing elements, a sales plan is developed that reflects the client's specific goals. This plan is broken down into a series of "executables", which the partner performs on behalf of the client after reaching agreement on timing, cost, deliverables, etc. Through this collaborative effort, the client is essentially getting senior-level marketing and sales expertise with a clear understanding of what they'll be receiving for their money.

The following brief example will illustrate this concept. A small Federal Government IT contractor has been operating as a sub-contractor to a large prime for several years in one specific Federal agency. As a sub, they lack control of their own destiny. Also, this contract provides for 70% of their current revenue, which leaves them highly exposed in the event that the contract is terminated or re-bid for some reason. The company wants to diversify into the private sector and thereby become less dependent on one Government contract, but they have no idea how to accomplish this.

The first challenge is to re-position the firm as a participant in the private sector, which is no small feat due to the intensity of competition and the lack of a compelling track record in this marketplace. Once a path has been chosen, the company needs to build a sales engine in order to attain their stated revenue growth and diversification goals. The firm is unsure of the elements and deliverables related to this, since they have never before undertaken this type of effort. There are multiple target markets available to them, but they do not know which verticals or segments will be the most lucrative. They do not truly comprehend the sales process for their product or service, having never actually "sold" it within the private sector. They can't really anticipate the prospect's objections, nor are they clear on the relevant hot-buttons and what their top competitors are saying.

All of this is overwhelming, but there's more. Should they sell directly or use a third-party channel? Should they form a strategic alliance with a larger company, or does this once again reduce their control? What should the pricing be? How can they determine their true profit in a market space that is largely unfamiliar to them?

These questions are very typical, and they *can* be answered. The key is enabling small company CEO's to fully understand the sales process associated with their product/service. A good consultant will provide this knowledge by taking the time to analyze the client's business and its processes, then mapping out the sales model accordingly. From this template, the client can select the individual tasks that the consultant will perform. This is "on-demand" sales management in that the client assigns their consulting partner to specific projects related to building a sales engine, so they're in control of the time and expense involved. Regular reporting and on-going dialog about the sales process are integral parts of this cost-effective approach to generating revenue growth.

This white paper was authored by Martin J. Lattman, President of QRG Inc., a unique consultancy focused exclusively on solving the growth challenges of small companies. Mr. Lattman is a former corporate CEO and currently serves on the faculty of both the Johns Hopkins University Graduate School of Business and Montgomery College. He holds an MBA degree from Cornell University.

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