

ART OF STRATEGIC SALES

Saugata Nandi



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by
Saugata Nandi

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saugata@metl.in

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This book is dedicated to the Performer

Performer

When the bar is raised and expectation is high
When preparation is over and time is running out
She sits and ponders on the outcome
With dreams at one side and depression at the other

When things are normal there is nothing to perform to
When things are smooth she gets bored
It is this time of extreme challenge
That she gets up and treads the razors edge

When the moment of performance comes
The outcome does not bother her
The job must be perfectly done
All the preparation comes live

Prepare prepare prepare is something that she does
To meet the expectation she has set for herself
Her goals are much higher than what others think
She draws a deep breath and brings the show live

Living the moment is fun
Performance is something she can deliver
Outcome is no more a botheration
As the job is done to the best of her ability

The stress is overcome
The barrier melts down
She is a winner she knows from the beginning
She stands tall with her head high with a laser sharp focus

The aim is clear, the target is there
The options vanish, the goal is clear

Past bothers her no more as future is guiding her
As the arms that led her applaud for her

With confidence surging and fear disappearing
With hope and with faith and commitment
She embarks on the voyage to shape her destiny
She will win she knows as she leaves the shores

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Foreword

There are two things that stand out from the compilation titled “The Art of Strategic Sales” by Saugata Nandi. The first is an honest attempt to highlight the importance of - solution centric view and a frustrating reluctance on the part of service providers to embrace it .

The second, is to use examples to highlight the importance of focusing on (sales) fundamentals and on what he terms ‘Sales Architecture’.

The chapters are thought provoking and the writing is meant for busy practitioners - rather than people looking for conceptual frameworks or structures.

The compilation attempts to raise awareness about the technology trends – and the social trends that are forcing corporations to rethink and redesign the way they interact with their customers /consumers.

I have had the pleasure of knowing Saugata Nandi and guiding him in the formative years of his career. I wish that he continues looking for fresh angles to attack and deal with business related problems that most are content merely grumbling about!

Muralidhar Rao

Muralidhar Rao

Muralidhar Rao is currently the CEO of Future Human development Limited – the education and training initiative of the Future Group. He has 27 years of experience in education and training industry and has earlier worked with NIIT Ltd. and NIS Sparta Ltd.

Murali has been personally involved in designing learning solutions, leading business development efforts; and managing client relationships with leading organizations spanning telecom, infrastructure, banking, insurance, manufacturing and service sectors.

He has conceptualised and successfully launched many educational initiatives – students - during his last role as the President and COO of NIS Sparta.

Overview: Growth Is Not An Option

Organizations globally have embarked on the path to high growth, which is a business imperative that every CEO is pursuing. Whether the organization pursues growth through a distinct competitive advantage or through geographical expansion, the sales team is at the forefront, meticulously executing the first element of the organizational value chain – customer acquisition.

The sales function requires very talented people in its staff who understand the customer and the company's business and can craft a synergy between the two. The sales team also should be able to generate value for the customer. Sales is indeed one of the most interesting professions that I have been a part of. Intelligent, focused and driven people are found the most in this domain. Customers like to interact with the salesperson who can understand their requirements and build sustainable advantage for them.

Depending on the complexity of the product, market and the deal size, the brief of a salesman shifts from a street smart persuader to a consultant. The earliest model of sales that we know currently had its origins in distribution, which served as the primary route to market. Whether it was steel, automobiles or FMCG products, the only option to market was the formation of a chain of intermediaries from the manufacturer to the customer. Although this model reduced risk for the manufacturer, it had severe flaws and was inefficient. However, given the resources available at that time, this option was the safest.

With the advent of e-commerce, penetration of the Internet and widespread use of the mobile technologies, an entirely new dimension has emerged in sales: that of speed and convenience powered by information. Customers are now willing to transact with a bank or a financial institution that levies extra charges for its services but offers excellent customer service, say, services at the doorstep. Customers at the rural areas who have different needs based on their lifestyle – referred to as bottom of the pyramid of the population – have become the target customers for banks, as mobile ATMs and mobile cell phone

towers have made it easier for banks to reach the rural areas to offer their services.

The landscape of sales is fast changing and I can envision a time when sales will cease to be a separate function and organizations are not likely recruit anyone who does not have a sales focus. Several organizations I have dealt with have stressed upon 'customer focus' as one of the top three competencies they want their leaders to demonstrate. In the emerging paradigm, managers who have low focus on customers will find it difficult to survive.

This book focuses on providing a strategic approach to sales, and is based on the insights that I have gathered, as I have been part of this profession for over fifteen years. Throughout this book I would be discussing several concepts, practices and thoughts that I have been privy to while interacting with several organizations at various levels globally.

I feel this book will be particularly useful to those who head the organizations as well the organization's sales and marketing functions. As most of the analysis and information I provide is empirical in nature, researchers might like to review certain concepts mentioned in this book and pursue them by proper research. However, the sales mindset is crucial for every person who is in touch with the customer or part of the business value chain responsible for customer deliveries.

I recently interacted with an organization that was growing so fast that it took its customers for granted. However, after five years of aggressive growth, this company is realizing that it needs to break its thinking in silos and work together to satisfy its end customer. This realization came at a very heavy cost – shrinking investor confidence, dropping share price, poor analyst reports, drop of order book. The organization was fading into this phase because it lost sight of the crucial element, the customer focus.

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Chapter 1

Understanding markets: a sales perspective

A coffee company that I came across recently provides a very interesting example of sales strategy. It used to sell the Arabica variety of coffee but was not selling the Robusta variety as the Robusta segment was considered to be a saturated market. So its strategy was not to do business in Robusta. This strategy was in place for a pretty long time. However, when customers began placing orders for both Arabica and Robusta, the company decided to enter the Robusta market segment aiming for a larger share of the market.

A bright young executive who was a proven success in Arabica was sent off to Brazil to develop the new business line for Robusta coffee. The executive studied the demand and supply gaps carefully and found out that at certain point of time, when the production of Robusta coffee was low, prices went up drastically. Further analysis showed that if an organization built warehouses and stored Robusta coffee beans in a controlled environment so that they retained their property, the cost of the warehousing was substantially lower than the price the coffee beans would fetch in the marketplace when prices of Robusta shoot up because of its low production.

The company therefore developed a business model in Brazil based on Robusta's supply-demand fluctuation and managed to generate profits in three years of operations. I felt this is a brilliant understanding of the fact that everything sells at the right time and at the right price. My economics professor used to draw the familiar demand and supply curves on the blackboard but this experience really taught me the concept of 'sales-centric thinking of markets'.

Anyone can replicate this model and the first-mover organization would tend to lose its new found advantage. In an established industry, organizations that wish to enter at a later stage must find a toehold first and thereafter rapidly move upstream and downstream to gain its market share. The concept of sales as an architecture very well fits here and will be discussed later.

The world has witnessed emergence of new players in the automobile industry, which was believed to be saturated and having no space to grow since

the 1970s. As I revise my research, the Korean auto giant Hyundai has surpassed Ford in sales, and Toyota occupies the first place in the sales of automobiles. This reversal of trend always shows that there is a place for those organizations that are determined enough to challenge the existing paradigms and focus on speed, efficiency and accuracy.

Demand and Supply, Risk and Returns

The start point of any sales-centric thinking begins with an organization developing a deep understanding of the markets, seasonality and trends. These factors provide the fundamental points for the sales team to initiate a suitable strategy. A large cold drink company soon realized that it was doing brisk business in the summer months and spending the winter months clearing off dues and settling channel disputes. The company therefore introduced a new brand for sale in the winter months and a product line of coffee and soups.

Another example of sales-centric thinking could be understood by the sales strategy that was adopted by a company in India. The company understood that the low-income group of people wanted to purchase the various brands but they would be in a position to shell out a small amount of money daily rather than purchase a large quantity for a higher price. With this understanding, the company introduced its products in small sachets and today sachets have become ubiquitous for selling many products such as shampoos, pickles and sauces. Till the time the sachet concept was worked out, the demand existed, but there was no supply as the existing model of doing business with bigger pack sizes was leaving out a large portion of the population, which could afford only small pack sizes.

The risk and returns perspective is another very important aspect of sales. Consider the example of an IT products company that was dedicated to researching on email security. All its solutions are targeted at a niche segment of the market. This company ran a great risk as the founder sank his lifetime of savings into the business and borrowed heavily from venture funds to finance operations. The option available to the founder was to either sell the IT products and services around email security or sell his organization to a larger organization and exit the business altogether. In this particular case, fortunately the founder exited the business and earned over 200 times the return on the capital he had invested!