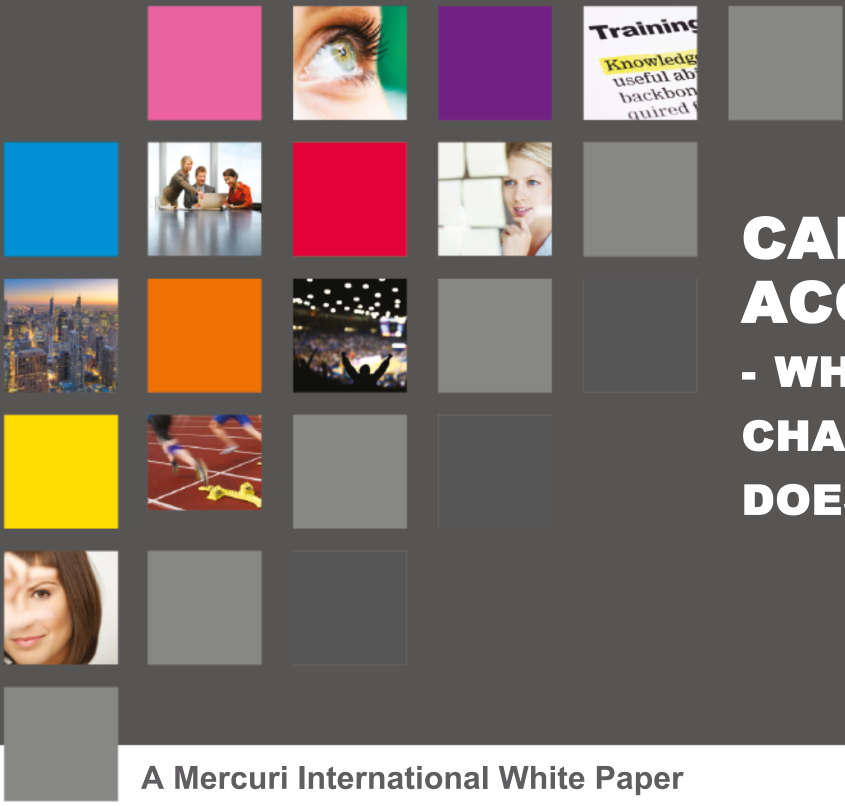
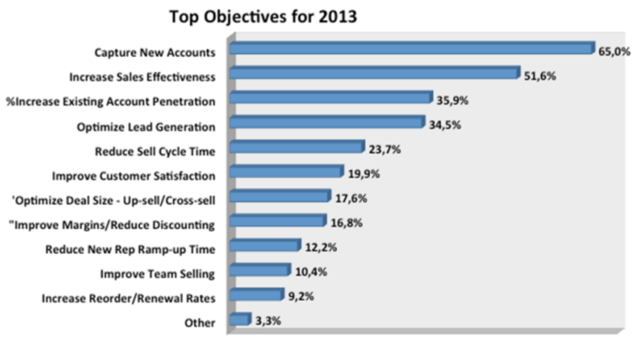


CAPTURING NEW ACCOUNTS
- WHAT ARE THE CHALLENGES AND WHAT DOES IT REQUIRE?

A recent report from CSO Insights shows that the two main objectives or concerns for Sales Executives in 2013 are…

- Capturing new accounts (65% of respondents)
- Increasing sales effectiveness (52% of respondents)



Source: CSO Insights Sales Performance Optimization Survey 2013

Why is the need for capturing new accounts so prevalent right now? It's a conjunction of two main factors:

- most companies continue to seek for growth, on mature markets
- most companies are already very good at retaining their existing customers

Capturing new accounts is hard

Capturing new accounts and increasing sales effectiveness is not so easy to obtain fast, with significant and sustainable improvements.

There are two main reasons that make customer acquisition so difficult:

- customer acquisition is intrinsically more complex and requires more efforts
- customer acquisition requires specific processes and different skills and a different mindset compared to retaining existing customers

In February 2013 Mercuri International conducted a Procurement Study among purchasers globally. In this study only 30% of the respondents declare themselves open and receptive to new suppliers. So suppliers have to work hard to get into new accounts.

Only 30% of purchasers are open to new suppliers

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- WHAT ARE **THE CHALLENGES AND WHAT DOES IT REQUIRE?.** ***CONT.***

Best practices for efficient customer acquisition

There are 6 key success factors to win new customers:

1. Define and dimension the acquisition plan by dividing the goal for new customer acquisition into goals for number of proposals, number of visits, number of calls, with realistic conversion ratios

2. Select very precisely the new customer target group, considering the attractiveness for your company and the probability of success, based on very objective criteria

3. Define the right "entry point" : some stakeholders may be easy to get in touch with but are not the real decision makers

4. Choose the right moment: some periods or circumstances are more favorable for customer acquisition than others.

5. Develop a specific "offer for entry". It should be very attractive to the prospect, not requiring too much effort and with limited risks and limited in time. The objective is to enter the customer with a small business in the beginning and then gradually grow.

6. Master, refresh or acquire "assertive selling" skills. Many sales people are used to more relational way of selling, asking questions and then delivering what the customer wants. These empathic skills work well for customer retention but rarely for customer acquisition. Then a more assertive approach is needed, including a very good understanding of the "pains", issues and interests (business, operational, personal) of the prospect, to suggest the most relevant and accessible value solution. The supplier must also work with a process of influence with partial agreements, which makes it very difficult for the prospect to back out.

Summary

Customer acquisition is one of the three key tasks for a salesperson / sales team (alongside customer retention and customer development) and it is for sure the most difficult one. Being efficient in customer acquisition is a mix between an optimized process, the right tools, and competence alignment. Improved sales effectiveness is simply a consequence of an increased effectiveness in these areas.

Identifying the opportunities for improvement (is it in process and/or tools and/or competencies?) and closing the main gaps there will always lead to higher efficiency and effectiveness in capturing new accounts and increasing sales effectiveness.

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