

SALES MANAGERS' OBJECTIVES 2013

AND THE CHALLENGES

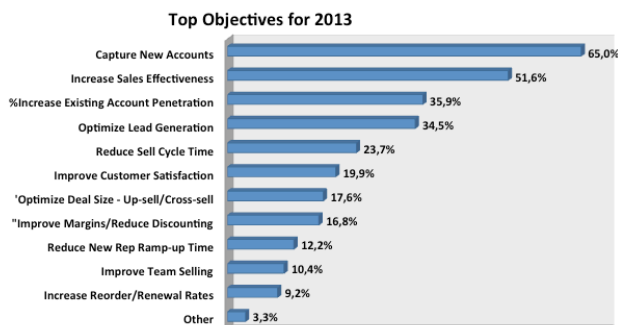
A Mercuri International White Paper

Page 1 (2)

Sales Managers' Top 10 Sales Objectives 2013

CSO Insight's Sales Performance Optimization Survey 2013 shows that the two main objectives or concerns for sales executives are...

- to capture new accounts (65% of respondents).
- to increase sales effectiveness (52%).



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

- most companies are trying to win new customers in already mature markets.
- most companies are already very good at retaining their existing customers.

Challenges in acquiring new clients

Capturing new accounts and increasing sales effectiveness is not so easy to obtain quickly, with significant and sustainable improvements. There are two main reasons that make new customer acquisition difficult:

- customer acquisition is intrinsically more complex and requires more efforts.
- customer acquisition requires specific processes, different skills and a different mind-set.

In February 2013, Mercuri International conducted a study among purchasers globally (MIRI Procurement Study 2013[®]). In this study only 30% of the respondents declare themselves open and receptive to new suppliers. I.e. suppliers have to work hard to get into new accounts.

Only 30% of customers are open to new suppliers

www.mercuri.net

For more information contact: Serge Bret

Tel: +33 (0)6 86 86 47 70 Email: sbret@mercurifr.com



. **CONT.**

How to become more efficient in new customer acquisition **Summary**

So what are the best practices for efficient customer acquisition? Here are 6 key success factors:

1. Be realistic in the activity needed to win new accounts. Define accurate goals for the number of proposals you need, how many visits will this take, how many calls and what are the 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 favourable 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 could be to win new clients with small amounts of business 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:
 - i) a very good understanding of the “pains”, issues and interests (business, operational, personal) of the prospect to define the most relevant and accessible value solution.
 - ii) a process of influence with a succession of partial agreements, which makes it difficult for the prospect to backtrack.

Customer acquisition is one of the three key tasks for a salesperson or a sales team (the other ones are **customer retention** and **customer development**). Customer acquisition is for sure the most difficult one. Being efficient in new customer acquisition is a mix between an optimized process, the right tools, and competence alignment. Improved sales effectiveness is simply a consequence of constantly improving in each of these areas.

Being efficient in customer acquisition is a mix between an optimized process, the right tools, and competence alignment.

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