

# Sales

## Sales and Customer Relationship Management

Startup Management (IPIRI 63749B), Aleš Špetič, 2023

# Recap Lecture 6

## Marketing: Reaching the Target Audience

- Marketing is pivotal for startup success, driving growth and market presence.
- **Understanding the Audience:** Customer empathy and creating personas guide effective marketing strategies.
- **Diverse Marketing Tools:** Utilize market segmentation, branding, online presence, and content, adapting to your audience.
- **Customer Acquisition:** Varied strategies include paid advertising, referrals, partnerships, and content marketing.
- **Analytics and Adaptation:** Measure performance through metrics, emphasizing continuous optimization and adaptability.

# Learning Objectives

## Sales and Customer Relationship Management

- Understand the Sales Process
- Master Sales Techniques
- Role of Sales Teams
- Navigate Sales Metrics and KPIs
- Leverage CRM Systems and Tools

# The Sales Process

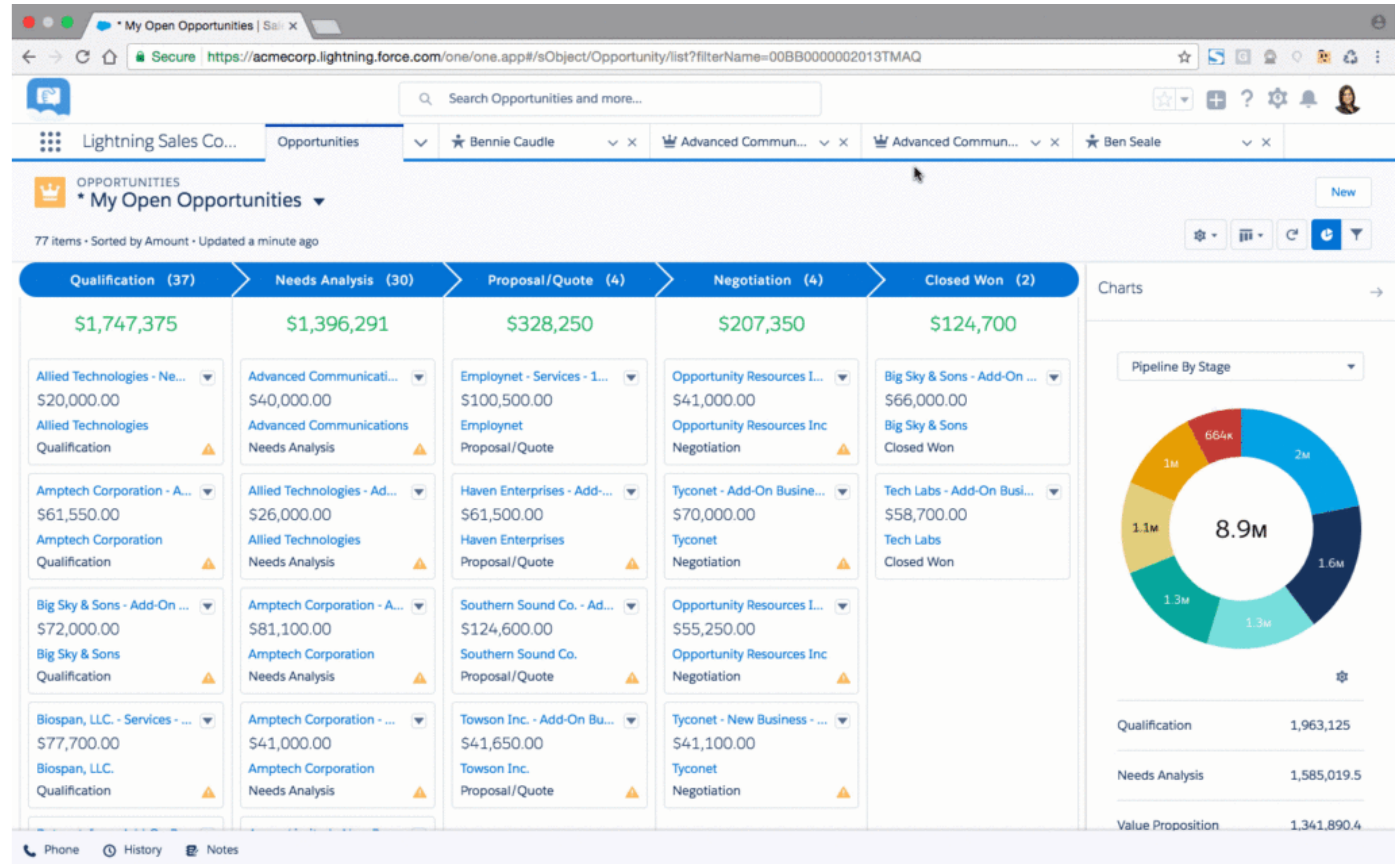
## Understanding the Journey to a Successful Sale

- **Prospecting:** Identifying Potential Customers
- **Lead Qualification:** Filtering Prospects for Relevance
- **Presentation:** Conveying Value Proposition
- **Closing:** Securing Commitment
- **Follow Up:** Ensuring Long-Term Engagement



# The Sales Process

## Sales Funnel



# Sales Techniques and Strategies

## Mastering the Art of Successful Selling

- **Building Rapport:** Establishing a Connection With Customers
- **Handling Objections:** Turning Challenges into Opportunities
- **Closing Deals:** Sealing the Agreement
- **Adapting to Customer Needs:** Customizing Your Approach
- **Effective Communication:** Conveying Value Clearly



# How people buy?

Rapping to the Yes...



# Rapping to the Yes!

## In Group Bias

“Now everybody from the 313, put your mother-f\*cking hands up and follow me”.



# Rapping to the Yes!

## Herd behaviour

“put your hands up and follow me.”

# Rapping to the Yes!

**Availability...**

“look, look...”

# Rapping to the Yes!

## Distinction Bias ...

Now while he stands tough, notice that this man did not have his hands up.”



# Rapping to the Yes!

## Ambiguity Bias...

“this man ...”

# Rapping to the Yes!

“one, two, three, and to the four.”



# Rapping to the Yes!

## Availability

“one Pac, two Pac, three Pac, four.”



# Rapping to the Yes!

## Availability

“You’re Pac, He’s Pac,”

“You’re Pac, NONE”

# Rapping to the Yes!

## List objections ...

“I know everything he’s got to say against me.”

“I am white”

“I am a fuckin bum”

“I do live in a trailer with my mom”

“My boy, Future, is an Uncle Tom”

“I do have a dumb friend named Cheddar Bob who shot himself with his own gun”.

“I did get jumped by all six of you chumps”

# Rapping to the Yes!

## Objections ...

“And Wink did Fuck my Girl”



# Rapping to the Yes!

## Heroic Association...

“I’m still standing here screaming  
“Fuck Tha Free World””

# Rapping to the Yes!

**Humor bias ...**

“But I know Something About You”  
(smile)

# Rapping to the Yes!

## Outgroup

“You went to Cranbrook.”

“That’s a private school.”

“His real name’s Clarence. And his parents have a real good marriage.”

# Rapping to the Yes!

**Building up credentials....**

“There ain’t no such thing as...”

“Halfway Crooks!”

# Rapping to the Yes!

Scarcity...

“F\*ck everybody”

“F\*ck y’all if you doubt me.”

“I don’t wanna win. I’m outtie.”



# How people buy?

Rapping to the Yes...





# Building a Sales Team

## The Cornerstone of Sales Success

- **The Importance of a Sales Team:** Strength in Collaboration
- **Hiring the Right Talent:** Strategic Recruitment
- **Training for Success:** Continuous Skill Development
- **Managing Sales Representatives:** Leadership and Motivation
- **Measuring and Improving Performance:** Data-Driven Insights

# Sales Metrics and KPIs

## Measuring Success

- **Key Performance Indicators (KPIs) for Sales:** Quantifying Success
- **Tracking and Measuring Sales Success:** Real-Time Insights
- **Common Sales Metrics:** Beyond Revenue Numbers
- **Performance Dashboards:** Visualising Data
- **Continuous Improvement Through Metrics:** Using Data for Enhancement

# Sales Metrics

## The Dashboard



# Important Sales and Metrics and KPIs

## Measuring Success in Sales

- Conversion Rate (**effectiveness of prospecting**): The percentage of leads or prospects that convert into customers.
- Customer Acquisition Cost - CAC (**sustainability**): The cost associated with acquiring a new customer, including marketing and sales expenses.
- Average Deal Size (**sales value**): The average value of each sales deal or transaction.
- Sales Velocity (**efficiency**): The speed at which deals move through the sales pipeline, from lead to closed deal.
- Customer Lifetime Value (CLV) (**long term value**): The total revenue a business can expect to earn from a customer throughout their entire relationship.
- Lead-to-Opportunity Ratio (**quality**): The percentage of leads that progress to the opportunity stage in the sales funnel.
- Win Rate (**value proposition clarity**) : The percentage of deals won compared to the total number of deals pursued.
- Churn Rate (**customer satisfaction**): The percentage of customers who discontinue their subscription or relationship with a company.
- Sales Pipeline Coverage (**performance forecasting**): Compares the value of the deals in the sales pipeline to the sales target.

# Customer Relationship Management

## Enhancing Customer Connections

- **Features of Effective CRM Systems:**

- Contact Management: Efficiently organize and track customer information.
- Lead and Deal Tracking: Monitor leads and deals through the entire sales process.
- Task and Calendar Integration: Facilitate timely follow-ups and appointments.

- **CRM Integration Across Teams:**

- Sales Team: Utilize CRM for lead tracking, sales forecasting, and performance analysis.
- Marketing Team: Leverage customer data for targeted campaigns and improved lead generation.
- Customer Support Team: Enhance support by accessing customer history and preferences.

- **Choosing the Right CRM Solution:**

- Scalability: Ensure the CRM system can grow with the business.
- User-Friendly Interface: Encourage adoption with an intuitive and easy-to-use platform.
- Integration Capabilities: Seamless integration with existing tools for a unified workflow.



# Customer Relationship Management

## The Dashboard

Microsoft Dynamics CRM | SALES | Opportunities | Interested in Product Designer

Est. Close Date: 3/19/2013 | Est. Revenue: \$350,000.00 | Status: In Progress | Owner: Terry Adams

Qualify | **Develop (Active)** | Propose | Close | Next Stage

Customer Need: **Need of state of the art technology to support their design efforts** | Identify Stakeholders: *mark complete* | Identify Competitors: *mark complete*

**Summary**

Title *	Interested in Product Designer
Contact	<a href="#">Eli Bowen</a>
Account	<a href="#">Trey Research</a>
Purchase Timeframe	This Quarter
Currency *	<a href="#">US Dollar</a>
Budget Amount	\$612,970.90
Purchase Process	Unknown
Description	New prospect seeking our Product Designer.
Score	35
Current Situation	Growing company that has out-grown their homegrown software applications.
Customer Need	Need of state of the art technology to support their design efforts.

**YAMMER** | SYSTEM POSTS | ACTIVITIES | NOTES

Say something about this opportunity

Terry Adams ▸ R&D  
Have the technical specs been updated for the Product Designer?  
Like · Reply · View Conversation · Tuesday at 10:57am from Dynamics CRM

Kudos

Jay Hamlin: Here's the updated version

**Product Designer Specification**  
Uploaded to R&D ▸ Files

**STAKEHOLDERS**

Name ↑	Role
<a href="#">Eli Bowen</a>	Champion ▾
<a href="#">Mark Hassall</a>	Decision Maker ▾

**SALES TEAM**

Name ↑	Role
<a href="#">Jill Frank</a>	Sales Profession...
<a href="#">Terry Adams</a>	Sales Profession...

Yammer | Terry Adams (log out)

Open



# Customer Retention

## The Key to Sustainable Business Growth

- **The Importance of Retaining Existing Customers:** Satisfied customers become advocates, aiding in organic growth through referrals.
- **Implementing Customer Loyalty Programs:** Rewarding loyalty, Personalized incentives
- **Creating a Positive Customer Experience:** Consistent Quality, Customer-Centric Approach
- **Effective Communication for Retention:** Regular Updates, Feedback Channels
- **Anticipating Customer Needs:** Proactive Engagement, Predictive Analytics
- **Building Emotional Connections:** Brand Storytelling, Community Engagement
- **Monitoring and Measuring Retention Success:** Retention Metrics

# Handling Customer Complaints

## Turning Challenges into Opportunities

- **Addressing Customer Complaints:** Opportunity for Improvement, Impact on Reputation
- **Strategies for Resolving Issues:** Active Listening, Timely Resolution
- **Turning Dissatisfied Customers into Advocates:** Exceeding Expectations, Follow-Up Engagement
- **Implementing Customer Feedback:** Feedback as a Catalyst, Transparency

# Cross-Selling and Upselling

## Increasing Revenue from Existing Customers

- **Cross-Selling:** A concept of offering complementary products or services to enhance the customer's purchase.
- **Upselling:** Encouraging customers to buy a higher-end product or upgrade for additional features.
- **Benefits for the Customer:**
  - Enhance the overall value of the customer's purchase.
  - Tailored Solutions: Personalized recommendations meet individual customer needs more effectively.
- **Increasing Customer Lifetime Value (CLV):**
  - Long-Term Revenue Growth
  - Building Loyalty through personalised recommendation.
- **Implementing Cross-Selling and Upselling Strategies:**
  - Training Sales Teams
  - Integration with CRM Systems

# Cross-selling

## Techniques for Effective Cross-Selling

- **Understanding Customer Needs:** Knowing customer needs leads better recommendation of complementary products.
- **Bundle Offers:** Bundling related products for a comprehensive solution.

# Upselling

## Strategies for Successful Upselling

- **Highlight Additional Value:** Emphasize the added value of a higher-tier product.
- **Personalized Recommendations:** The power of personalized recommendations based on customer preferences and behaviors.

# Sales Forecasting and Planning

## Navigating the Path to Success

- **The Importance of Sales Forecasting:**
  - The process of predicting future sales based on historical data and market analysis.
  - Strategic Decision-Making: Accurate sales forecasting informs strategic decisions and resource allocation.
- **How to Create a Sales Plan:**
  - Setting Clear Objectives: Defining specific and measurable sales objectives.
  - Target Audience Identification: Understand the target audience for more effective planning.
- **Sales Target Setting:**
  - Realistic Goal Setting: Setting realistic and achievable sales targets.
  - Alignment with Business Goals: Sales targets need to align with broader business objectives.



# Sales Forecasting

## A SAAS Example

BPlans SAAS Sample-Monthly-Subscription-Forecast.xlsx

File Edit Insert Format Help

Download Share

Calibri 12

**B** I U ~~S~~ A

*f<sup>x</sup>*

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
		Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	
1														
2	Average Revenue per User	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00
3	Starting Subscribers	0	490	980	1,455	1,925	2,386	2,838	3,280	3,715	4,140	4,557	4,962	
4	New Subscribers	500	500	500	500	500	500	500	500	500	500	500	500	
5	Cancellations	10	10	25	30	39	48	58	65	75	83	95	100	
6	Net Additions	490	490	475	470	461	452	442	435	425	417	405	400	
7	Ending Subscribers	490	980	1455	1925	2386	2838	3280	3715	4140	4557	4962	5362	
8	Churn Rate	NA	2.04%	2.55%	2.06%	2.03%	2.01%	2.04%	1.98%	2.02%	2.00%	2.08%	2.02%	
9	Projected Lifetime (months)	NA	49.0	39.2	48.5	49.4	49.7	48.9	50.5	49.5	49.9	48.0	49.6	
10	Projected Lifetime Value (LTV)	NA	\$980.00	\$784.00	\$970.00	\$987.18	\$994.17	\$978.62	\$1,009.23	\$990.67	\$997.59	\$959.37	\$992.40	
11	Total Monthly Recurring Rev	\$10,000.00	\$19,800.00	\$29,600.00	\$39,100.00	\$48,500.00	\$57,720.00	\$66,760.00	\$75,600.00	\$84,300.00	\$92,800.00	\$101,140.00	\$109,240.00	
12														

# Assignment

## Create sales plan

- Develop a 12month realistic sales plan in a spreadsheet
- List the assumptions and sense check the plan

# Conclusion

## Sales Management

- **Strategic Sales Foundation:** Establishing a robust sales foundation is crucial for revenue generation and customer loyalty in startups.
- **CRM Integration:** Seamless integration of Customer Relationship Management enhances customer interactions and streamlines business processes.
- **Customer-Centric Approach:** Building lasting customer relationships involves effective communication, complaint resolution, and strategic use of technology.
- **Revenue Growth Strategies:** Cross-selling, upselling, and effective sales forecasting are pivotal for increasing revenue from existing customers.