

Sales

Sales and Customer Relationship Management

Startup Management (IPIRI 63749B), Aleš Špetič, 2024

Recap Lecture 5

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

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”

“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...



Managing Sales

The Cornerstone of Sales Success

- **The Importance of a Sales Team:** Strength in Collaboration
- **Customer Relationship Management:** A system that ties it all together
- **Cost of customer acquisition:** Upselling, Cross-selling, Customer retention
- **Sales Planning:** Blueprint for the sales activity
- **Sales Forecasting:** Setting the goals.
- **Measuring and Improving Performance:** Data-Driven Insights

Customer Relationship Management

Enhancing Customer Connections

- **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.

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 | Eli Bowen |
| Account | Trey Research |
| Purchase Timeframe | This Quarter |
| Currency * | US Dollar |
| 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 |
|------------------------------|------------------|
| Eli Bowen | Champion ▾ |
| Mark Hassall | Decision Maker ▾ |

SALES TEAM

| Name ↑ | Role |
|-----------------------------|---------------------|
| Jill Frank | Sales Profession... |
| Terry Adams | Sales Profession... |

Yammer | Terry Adams (log out)

Open

Customer Retention

The Key to Sustainable Business Growth

- **Retaining Existing Customers:** Satisfied customers become advocates, aiding in organic growth through referrals.
- **Customer Loyalty Programs:** Rewarding loyalty, Personalized incentives
- **Positive Customer Experience:** Consistent Quality, Customer-Centric Approach
- **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

Cross-selling

Selling Complementary Products

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

Upselling

Selling Higher Value Products

- **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 Planning

Key Components

- **Sales Objectives:** Define both quantitative (e.g., revenue targets) and qualitative (e.g., customer satisfaction) goals.
- **Target Market:** Specify target customer segments and regions.
- **Strategy and Tactics:** Outline methods for lead generation, customer acquisition, and retention.
- **Budget and Resources:** Plan financial and human resources required to execute the plan.
- **Timeline and Milestones:** Establish deadlines and checkpoints for measuring progress.

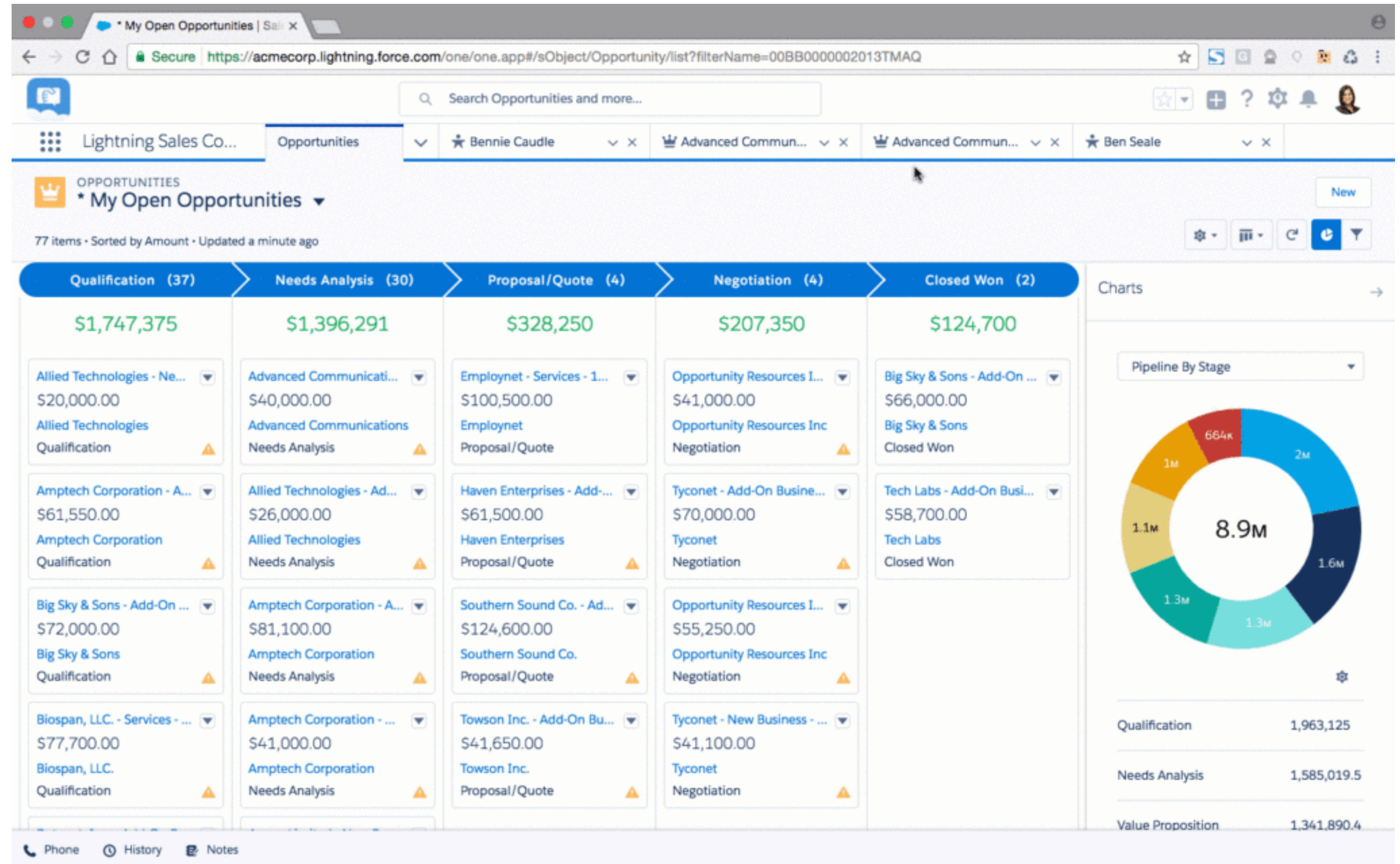
The Sales Journey

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

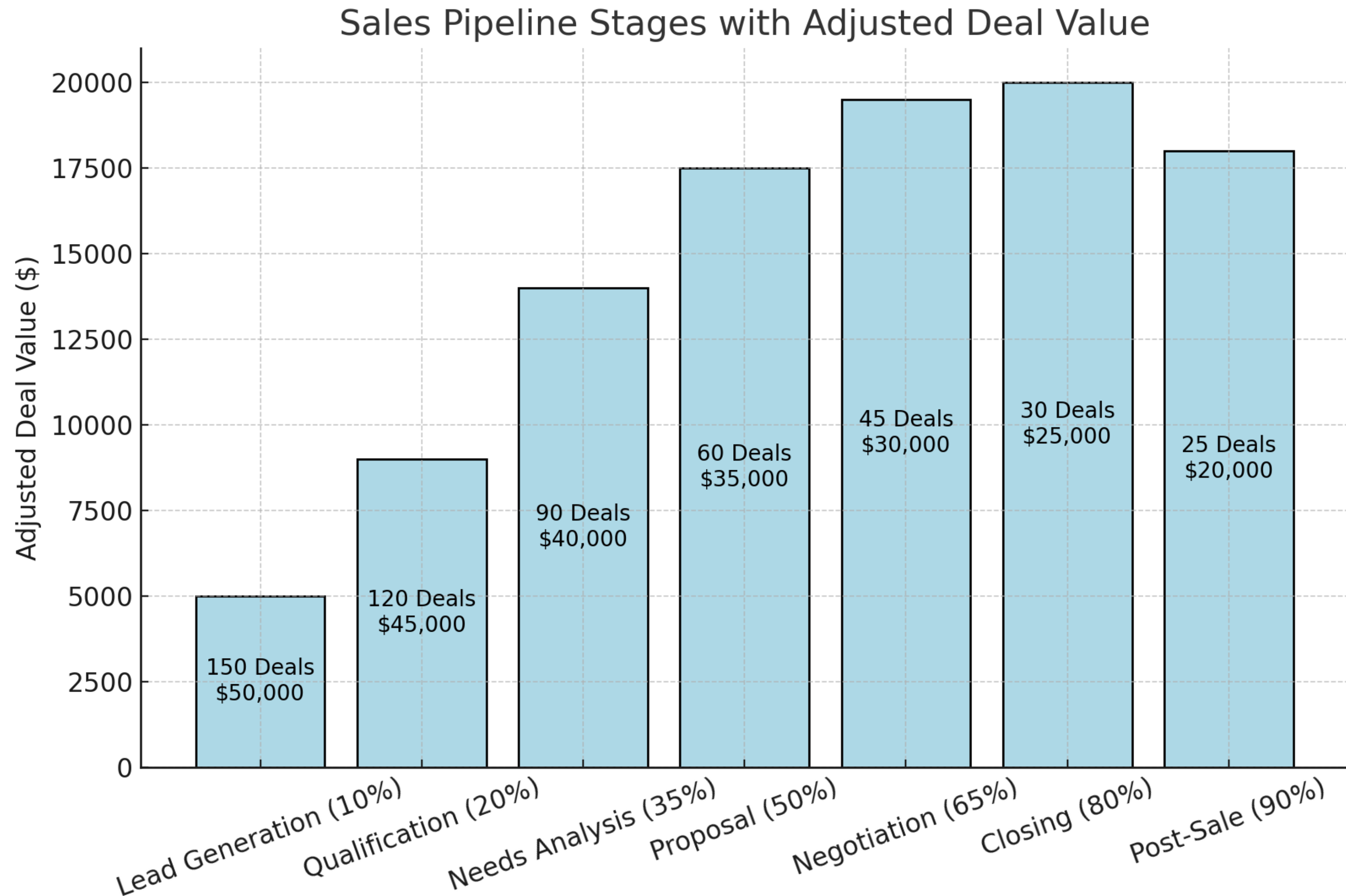
The Sales Process

Sales Funnel



Tracking Sales

Sales pipeline/funnel



Sales Metrics

The Dashboard



Sales Planning

Planning process

- **Market Analysis:** Understand market conditions, trends, and competitive landscape. Identify customer needs and preferences to guide strategy.
- **Goal Setting:** Use SMART criteria to set specific, measurable, achievable, relevant, and time-bound goals.
- **Sales Strategy:** Define the approach to reach target customers (e.g., inbound vs. outbound, direct vs. channel).
- **Sales Tactics:** Identify specific actions (e.g., cold calling, email campaigns, demos) that the team will use to achieve goals.
- **Performance Monitoring:** Set KPIs to measure success.

Sales Forecasting

A SAAS Example

BPlans SAAS Sample-Monthly-Subscription-Forecast.xlsx

File Edit Insert Format Help

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Calibri 12 B I U A

fx

| | A | B | C | D | E | F | G | H | I | J | K | L | M |
|----|--------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|--------------|
| | | 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 |
| 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 | | | | | | | | | | | | | |

Important Sales 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.

Conclusion

Sales Management

- **Strategic Sales Foundation:** Establishing a robust sales foundation is crucial for revenue generation and customer loyalty in startups.
- **CRM:** 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.

Assignment

Create sales plan

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