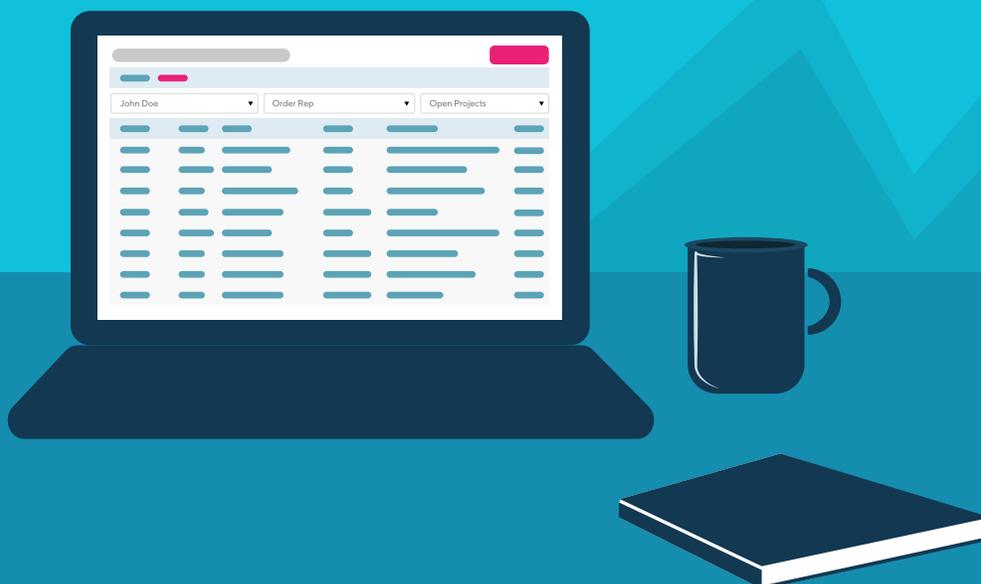


# Business Planning Series



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*Whether you are a solopreneur or manage a team of salespeople, how do you do business planning that becomes more than wishful thinking? How do we make real growth happen?*

*In this series on business planning, we'll walk through how to make plans actionable by creating both “bottom-up” and “top-down” business goals!*

”

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<https://community.commonsku.com/>

# **7 Questions to Dramatically Increase Your Sales.**





Did you know that you can double your sales without adding a single new client?

It's possible.

But what often keeps salespeople from growing is a dangerous laissez-faire attitude that swallows ambition, sales complacency.

Part of this complacency is due to the economy:

When the economy is roaring, clients continually place orders and keep distributors busy, so most of the work becomes merely keeping up with deadlines.

But it's deceptive; sales "busyness" can completely shroud the fact that you're leaving money on the table.

A lot of money on the table.

The other part of this complacency comes from the fact that you have no method or action plan for changing your sales behavior and making growth a reality.



Most salespeople merely hope their clients will do more without any plan or action to guarantee growth, which is a vulnerable position for anyone to remain in, particularly since some experts predict that a recession is right around the corner.

Business planning always starts with where you are at now, with your existing book of business, and studies have shown that it is 5x more expensive to acquire a new customer than to retain an existing one.

The following 7 questions will guide you to create a plan for 2019 that will help uncover sales opportunities right in front of you, within your existing book of business, while simultaneously creating space in your calendar to help you grow.

### **Q1: Who are your top ten clients?**

List them in declining order by gross sales and by gross profit.



## **Q2: How close are you to driving revenue on behalf of your top ten clients?**

How recession proof is your client portfolio?

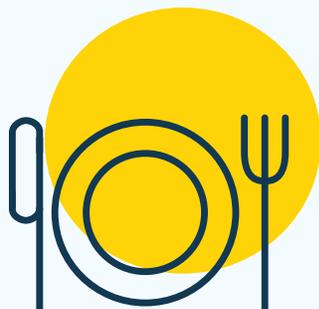
What if you could recession-proof your portfolio and diversify your clients in a way that brings you peace of mind and more revenue? The recession-proof question: How close are you to driving revenue on behalf of your top ten clients? If you work on projects that directly impact sales, not only will you have the added benefit of recession-proofing your client relationship, you'll create repeat order business that will grow your sales. Do some of the projects you work on for your customers actually impact sales?

If not, now's the time to begin talking with your customers about strategic ways you can get closer to the sale.



### Q3: How diverse is your portfolio?

In addition to getting closer to the sale, how diverse is your portfolio? Are you tied to only one industry? Or working within a few verticals only? When I was a distributor, we had a lot of business tied up in the oil and gas industry, and when oil prices tanked, we took a massive hit in revenue. Even if you disagree with the possibility of an imminent recession, it's good business practice to evaluate and diversify your client base. Review the industries you currently work with and remember Jamie Watson's advice with Certified Marketing Associates: no single client should command more than 10% of your sales.



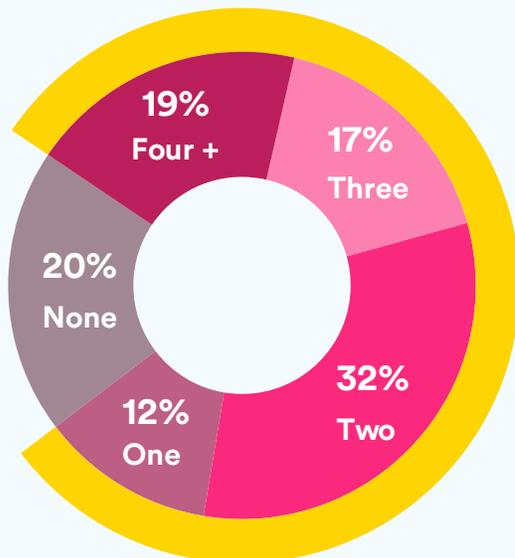
## Q4: Which departments do you sell to?

For each of these client companies, list the number of buyers and note which departments they work in.

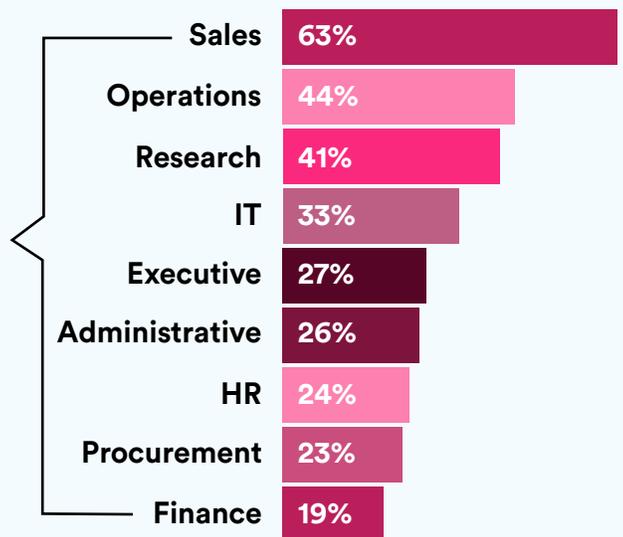
To help, consider this chart created by a research study from PPAI on the different departments that buy.

Which departments are you not selling to?

Number of Departments Using Promotional Products Outside of Marketing at Brands



Types of Departments Using Promotional Products Outside of Marketing at Brands



**80%**

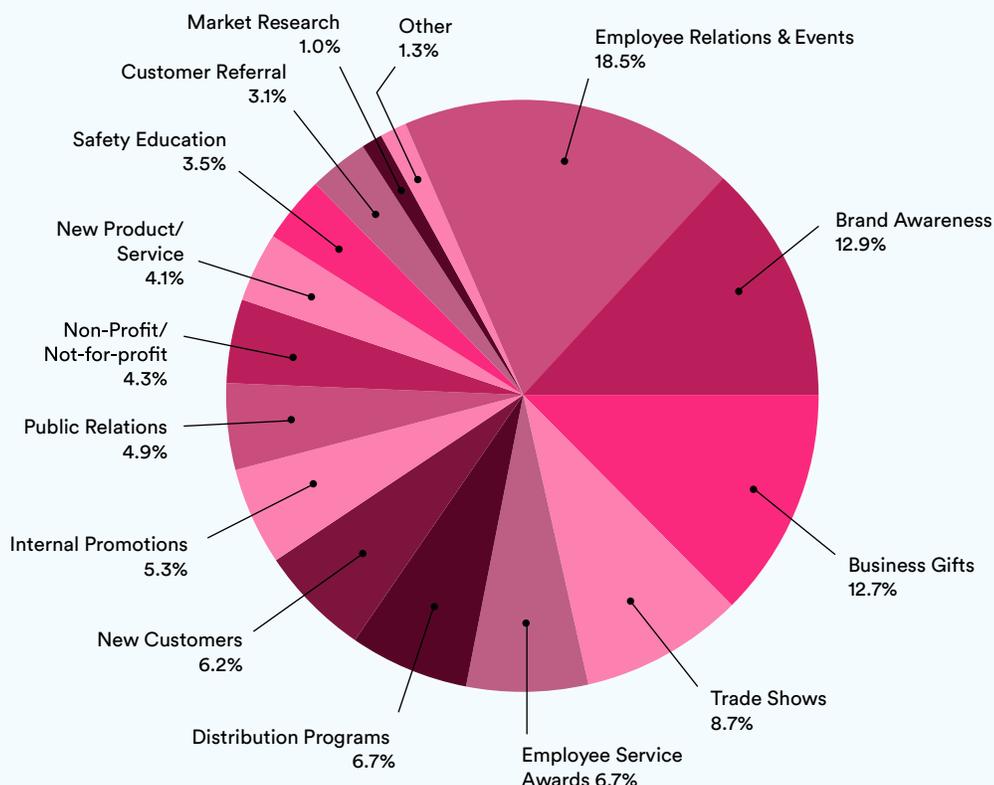
of brands reported additional departments outside the marketing team that included promotional products within their company initiatives

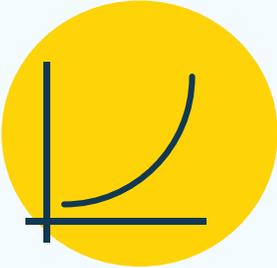
## Q5: For what purposes do you sell to your clients?

In PPAI’s annual Sales Volume Study, they demonstrate the many purposes that promotional products are used for by most companies (see chart below). Consider the projects you worked on for your clients in 2018, are there purposes you are not selling to? Take your top ten accounts and create a list of the purposes you haven’t yet sold to within each account.



**2017 Sales By Program Category**





## Q6: Where are the areas for growth?

Based on your penetration within each Top 10 account with multiple buyers, and based on your knowledge of which purposes you sell to, where are your areas for growth? Can you put a dollar figure to each customer? Example: If you have a large customer who does \$80,000 a year with you, but you are only working with one department, then you likely have lots of room for growth. Put your best guestimate on an increased figure beside each customer, like so:

- Client 1: \$100,000 in sales with growth potential of \$30,000 = \$130,000
- Client 2: \$80,000 in sales with growth potential of \$40,000 = \$120,000
- Client 3: \$50,000 in sales with growth potential of \$20,000 = \$70,000



- Client 4: \$75,000 in sales with growth potential of \$10,000 = \$90,000
- Client 5: \$40,000 in sales with growth potential of \$50,000 = \$90,000

If these clients represented your entire book of business, your total sales in 2018 would have been: \$345,000. With your projected increases, your potential sales opportunity for 2019 is an additional \$150,000 or \$500,000. If you earned 40% commissions, your total increase in compensation (given 40% margins) would be a \$24,000 increase in income.

### **Q7: Who are your bottom 10%?**

The secret to creating more bandwidth in your schedule, giving you time to grow, is to eliminate those customers that are costing you money. Mike Michalowicz, an expert at helping entrepreneurs grow remarkable businesses, spoke at our recent skucamp conference and said that the lowest 10% of customers



are not “earning you” but they actually cost you to keep them as clients. How? Opportunity costs. For every minute you spend with a marginal customer, you are not only losing money (because your time is more valuable) but it means that this customer is robbing you of the time you could be spending with a customer who could spend infinitely more. For help with this, consider the profitability diagram below and ask where each of your customers fall. Are those bottom 10% of your customers truly bad customers that you should fire? Or are they potential clients who, with proper time and attention, could blossom into a key account? If they don’t have potential, trim your client list and create bandwidth in your calendar for the time to invest in the right kind.





And now that you have estimated the potential growth per key client and you have cleared more space on your sales calendar by eliminating the poor performers, you can now “fill in the gap” with strategic marketing tactics, which we will discuss in our next installment in this series on business planning.

“

***“Setting a goal is not the main thing. It is deciding how you will go about achieving it and staying with that plan.”***

***- Tom Landry***

”





**3 Quenching  
Tactics That Will  
Inspire Clients  
to Buy More.**



Now that you've analyzed the activity around your top 10 clients, to expand your horizons, to capture more budget, you must build a strategic marketing campaign, bespoke and targeted to each customer.

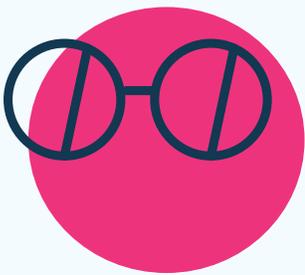
Mike Michalowicz, in his session at skucamp, talked about the difference between saturating clients and quenching clients. Saturating clients and prospects is a shotgun approach to marketing: spamming them with unwanted product sales and promotions, it's scattered and untargeted, and it's an interruption, and clients loathe interruption marketing. Oversaturating kills the roots of the relationship.

Much of the average distributor's marketing tactics today are simply practices they've adopted from suppliers: pushing product sales and promotions, over-saturating (and exhausting buyers) with supply before there is even demand. This isn't the fault of suppliers, in an industry cluttered with thousands of products they are simply trying to keep products top-of-mind for distributors. But distributors and



suppliers are in two different types of businesses. Suppliers sell product and distributors sell purpose. Getting to the heart of purpose with your client is the key to unlocking more sales. Mike calls this approach quenching versus saturating. Quenching is where you go to a community and you educate, Mike says.

So, now that we've identified our top clients, how can we quench the thirst clients have for education and experiences by using the power of our medium to uncover more sales? Following are three quenching tactics:



**Quenching tactic #1: Expanding the categories you sell by educating clients via pop-ups, fashion-shows, merchandise collections, and more.**

One of the challenges in this business is getting pigeon-holed by clients into what you can and cannot do. For example, your client might think you are exceptional at tradeshow giveaways and gifts, but they



don't utilize you for apparel. With all of our clients, we're competing for space in their memory as the go-to consultant and category king.

So, how do we cross-sell into other categories with our existing buyers? What we are striving for with our clients is inspirational marketing that solves a problem and triggers a response. Let's take apparel as an example. Most clients buy apparel for "uniforms," but the apparel product category is far more inspirational than that. Apparel is tribal. Clients buy apparel to cultivate brand champions and to allow recipients to celebrate their unity as a member of the tribe. The problem they are trying to solve is one of identity and belonging (and sometimes celebration). To discover more selling opportunities with your customers, ask them what events or significant moments they have coming up where apparel might serve as the perfect catalyst for an experience to enhance this emotion. And then, activate their imagination by designing custom collections that inspire.

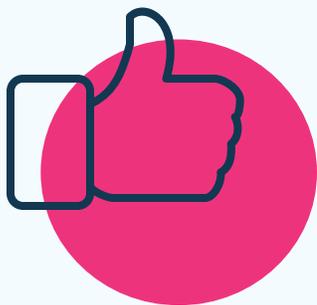


We once had a finance client who didn't buy much apparel from us. Their problem was, they wanted more fashion-forward styles to encourage their team to actually wear the apparel they spent a lot of money on. The client purchased some apparel through us, but they didn't trust our creative design or our style sensibility, which meant we were categorized in the client's mind as a non-creative service provider, not a creative experience maker. So, we had to create a lightning strike moment in the buyer's mind that would impress upon them our prowess in creative apparel.

We put together a fashion show. Yes, a fashion show. Complete with models and a runway. We rented space at a photography studio near the customer's headquarters, served wine and hors-d'oeuvres and they invited other key buyers (many of whom we did not yet work with) to the experience.

We created spec samples in collaboration with our top apparel provider, specs that were targeted at the buyer's demand for more stylistic wear. It was an





ostentatious affair and took a lot of work, but it made a memorable impression in the minds of the buyers and, because we delivered the experience in a fashion-forward way, we forever resolved their false assumption that we could be creative and we wedged our way into the buyers' collective mind.

Now, a fashion show is not necessarily something everyone can pull off, but the important part was that we were creating an immersive experience that changed their mind about our position and you can do the same thing in a variety of ways: virtually, through spectacular specs, curated toward purpose and beautiful design and in tandem with your supplier partners. But to make that presentation pop, you must infuse your presentation with purpose-driven solutions.

Another idea: a mini pop-up at your buyer's location, inviting other buyers to the experience. These can be more than show-and-sell moments; build an experience with tasteful invites that intrigue other buyers within the organization, craft a gift collection for all attendees,





and design a custom collection that meets their initiatives but distinguishes you as unique. Think: bespoke tailoring meets a community event (not mini-tradeshow where every client-company sees the same top 10 items).

Often, distributors, learning from suppliers, will provide an open house or a tradeshow-esque experience that features new products or top products but it's untargeted and unrefined, saturating not quenching. To dramatically grow your revenue you must focus on their specific needs and build experiences bespoke for each customer. This means asking ahead of time what lacks in their apparel line-up and filling the gaps with unique apparel that meets their demand.

Clients crave experiences. And millennial buyers, in particular, demand personalized experiences. Demonstrate your prowess in a new category by building a beautiful experience for your clients.

The same goes for awards programs or crafting a gift collection for your buyers. Tap into the heart of what



we do by designing beautiful virtuals in the categories you lack selling and then, inspire them with powerful story-driven presentations that solve problems.



## **Quenching tactic #2: Expanding buyers you sell to within your client companies by developing creative, targeted campaigns.**

Distributors who serve their clients well have the one thing that is the most difficult to get and the one thing that provides them leverage into more business: trust.

Your buyers trust you. And within your top accounts are other buyers. In fact, many distributors might think they are getting the lion's share of a budget when in fact, they could be missing out on revenue opportunities because they are not working with all the right departments. Marketing is not the only department that buys and in some cases, it might even be less than other departments, depending on the industry. At one time we worked with mostly marketing and communication departments but we had one client, an



energy client who had an “office services” department that purchased all promotional products. We thought this was an anomaly, so, with other energy companies, we kept targeting “marketing,” only to discover, eventually, that most energy companies had an “office services” department and they, too, bought more promo than “marketing.” Make sure that you are touching every department and think holistically about the problems you are trying to solve for your client-company.

One important stat to note: 84% of B2B decision makers start the buying process with a referral. But how do you ask for and leverage referrals from your existing accounts? By using the power of promo. Through your relationship with your buyer, plus using LinkedIn to research other contacts within your client company, you can unearth a trove of new buyers (see our previous post to discover other departments that use promo).



But you still must activate the minds of these buyers in a unique way.

Your key buyer, the one who loves working with you, is too busy to do the heavy lifting for you and simply “make a referral.” They can and sometimes will, but they might not know who else buys. But they can provide you leverage through their word of mouth testimony which you can then use to print on a self-promo campaign to deliver to other buyers. It has to be done stylishly way that the buyer will respect, but it’s a unique way to make a memorable impression in the minds of new buyers.

Distributors have had much success through the years with self-promotion campaigns, and these campaigns are effective. But we don’t want to merely interrupt the client with our advertising; we want to create a bond, we want to cement our company in the minds of potential buyers. An incredibly effective way to do this is to incorporate stories, case studies of successful projects that you have done for clients,



with a self-promotion campaign. Stories about what you have done with other customers, through their perspective, have the power to transform minds. Another idea: sometimes, we would create a self-promotion campaign in tandem with the client's logo, building creative copy around the partnership. This took approval from the client, but the juxtaposition of your logo, along with the buyers and some unique copy built a bridge of trust.

In any self-promotion campaign, the messaging is key. In fact, you should spend as much time on the messaging as you do on your product selection. Caryn Kopp, in her presentation at skucamp, talked about creating a "Gap Sales Message," by filling in these blanks:

*"Anybody can \_\_\_\_\_. But not everyone can \_\_\_\_\_ for example, \_\_\_\_\_."*

Gap messaging is the difference between what anyone can say about their product and services, versus what you can say that would cause the prospect to feel you



have more value. When you add your gap sales message with a client's testimonial, or a customer story, it's another lightning strike moment that immediately differentiates you in the hearts of buyers. And when you use our medium -the greatest form of reminder advertising- to deliver the message, you can achieve results,

“Language + delivery = outcome.”



**Quenching tactic #3: Target other media. No, I mean, actually do it. Don't just talk about it.**

The studies have circulated for years from both PPAI and ASI about how promotional products are less expensive and more effective per impression than any other media, but what you have done with this information?

Most of us process this news, nod in assent, maybe share it on social, or, at best, share this anecdotally with our customers. But very few of us have sat down with



our buyers to educate and specifically ask: What is your budget for broadcast? Online advertising? Print? Mobile?

Mike Michalowicz said that we must quench our buyers through education, and the opportunity to shift spend from a poor performing category (like digital ad spend) to superior forms of advertising like promotional products is where you can uncover more revenue.

In an article in AdWeek, “3 Ways to Stop Wasting Money on Ads No One Sees”, the author wrote, “It’s time to stop asking how many ‘impressions’ an ad got. Brands and agencies both need to refocus on delivering experiences that people will appreciate and trust.”

There are those words again, words that are perfect for the promotional products world: ***delivering experiences that people will appreciate and trust.***

Promotional products are the only advertising guaranteed to deliver an experience and the one “ad” a recipient will thank you for and will keep.



A few ideas: develop a self-promotion campaign focused on the results from these studies. Rather than just dropping a self-promo item on the desk of a potential buyer, send a message. Messaging is key.

Or, in your six-month review process, develop a carefully crafted presentation, per client, with their ad spend about how you will effectively use promotional products to replace other forms of poor performing advertising. This will require some research with your customer to uncover spend, but once you have this data, it's gold. This is also your opportunity to recession-proof your relationship with your client by making sure promotional products are a part of the media spend that is driving sales on behalf of the customer.

I was once invited to a presentation pitch that an ad agency was giving to one of our top clients. The agency did just this, they took the client's numbers on ad spend and built a presentation recommending what they would do better. At one point in the presentation,



the agency targeted the promotional product spend and suggested shifting this away from promo to another category. I'll never forget it because, as I sat there frozen, the presenter (a friend of mine), turned to me in the presentation and said, "sorry Bobby, I had no idea you would be in here." And the room laughed. I laughed too, on the outside.

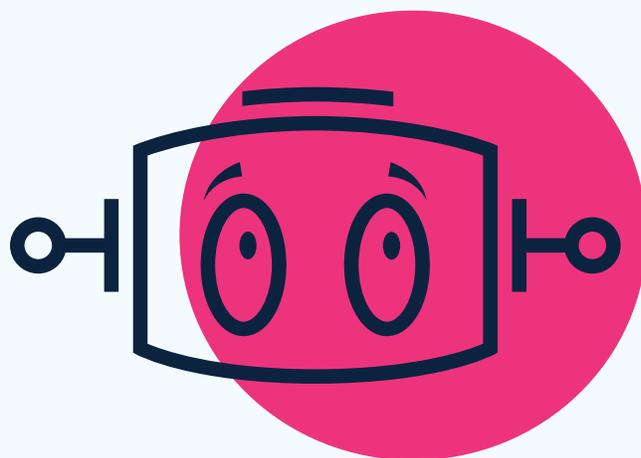
Agencies are doing this all the time with the promotional products category. The recent article published in Fast Company, "It's time to stop spending billions on cheap conference swag", would be an easy target for agencies to use to shift spend.

It's time promotional professionals, for all their talk about being "agencies," perform like agencies and advise their clients on their total advertising spend. And if a full presentation with a customer is too daunting or demanding, even just having the conversation with your customer is a great step toward shifting budget from areas that don't work to areas that do. These ideas we shared are just a few. You are creative and imaginative,



that's why you're in this business, you'll think of your own unique spin but the key to remember is that the fastest way to grow with existing clients is to intensely focus on their specific problems and then use the power of promo to resolve those problems.

Whether you are introducing a new category to your client, greeting a new buyer, or educating about wiser budget spend, quenching your clients is about inspiring your clients through education and inspirational merchandising experiences which will ultimately drive sales.



# Coaching Your Team to Stunning Wins





Most salespeople start their year with hopes:

They **hope** their client will spend more, they **hope** they can sell more, they **hope** they make more money.

But very few salespeople sit down and plan to grow.

It's year-end and, as we all know in this business, every year starts over January 1st with new client budgets which means new opportunities, there is very little residual business in this industry, there are residual **clients** and residual **projects** sometimes, but very little exact repeat business, so we must remain vigilant to explore every opportunity.

And to ensure we don't leave ourselves simply at the mercy of a client's buying habits, we must set goals to guarantee growth.

How do we, as leaders, help our team get the most out of their year and help them tap their true sales potential?



First: understand the power of shared goals. Dictating growth goals is rarely an effective strategy, it is fear driven rather than opportunity driven. Moreover, cultivating shared goals alongside your employees activates their initiative, real progress occurs when we have a vested interest in the outcome and when you establish your own goals, you are setting standards for yourself. The intrinsic reward that comes from meeting your own goal is far greater than meeting a goal set by others. In a recent skucast interview with Memo Kahan, President of Top 40 Distributor PromoShop, Memo said this about sales ambition, “It really has to be a self-motivating endeavor for it to last and be successful.”

Second, understand that your role in the relationship is to challenge and inspire your colleague to do their best work and to develop, professionally, into the best version of themselves they can be, and to act as a sounding board as you work through the goal-setting process. We use the word **coach** a lot in business, but in reality, that’s what a manager is, a coach. Phil Dixon once said that “my best quality as a coach is that I ask



a lot of challenging questions and let the person come up with the answer.” There is a bit of a dance between leadership and the sales team when it comes to setting their goals because there are two mistakes salespeople make: aiming too high and aiming too low.

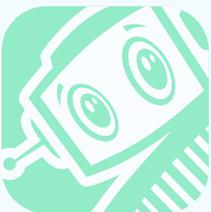


Some salespeople aim too low, but this isn't because they are pessimistic but because they are setting their goals from a subjective experience: the business is fast-paced and demanding and deadline driven, and they sometimes can't fathom a dramatic increase in business due to being currently swamped with work. It's your job to help them see accounts they should spend less time on to make room for more, or to help spot opportunities they can't quite see. Some salespeople aim too high, making largely unrealistic goals that have no basis in reality. These goals become merely wishes, easily made, easily forgotten. They are not active goals and rarely surface again throughout the year and are therefore DOA.



How does one go about both setting individual sales goals and also coaching your team toward stronger goals?

I asked Samantha Kates, commonsku's Vice President of Sales, whose extensive experience in both distributor sales and supplier sales gives her a unique perspective on goal setting. Like a good coach, Sam replied, "I like to sit down with a rep and ask them, 'Out of the accounts that you work with, who are the top accounts that are the most important and/or the accounts you enjoy working with the most?'" Similar to our last article on quenching (targeting your top ten accounts), Sam focuses on exploring these key accounts through investigation. Sam insists that each rep use the end of the year season to try and visit with each account, either on the phone or (preferably) face-to-face. "There are two indicators for sales growth, lagging indicators -like your previous year's sales history with that client- and leading indicators, signs that will indicate where a client is going, either growth, stagnation, or decline."





“There are two primary ways to determine leading indicators,” said Sam, “and the first one starts by asking the client questions.”

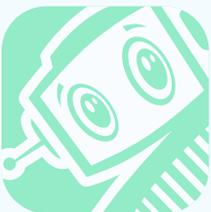
But going back to our strategy on quenching to educate and explore more opportunities, you have to think beyond asking the client general questions about their promo budget or spend, that’s a short-sighted viewpoint, what you’ll miss is a massive opportunity to sight real opportunities for growth. Questions that have to do with a client’s purpose and initiative will not only reveal spend beyond the promo budget but will also carve spend away from poorer performing advertising categories (like digital ad spending), questions that reveal intent, like:

What strategic initiatives are you looking at launching next year? What is the most important one? Are you adding new employees? New divisions? Are there any mergers or acquisitions on the horizon? Are you expanding your service offering? How do you see your company and your department changing?



These are just examples. Asking strategic questions will shed light on growth challenges ahead, challenges that you could find a solution for.

The other leading indicator would be by industry and by your experience. What industries are your clients in? Automotive? Healthcare? Finance? It's fairly easy to do a quick google search and determine the expected growth by industry. And your experience is the most important part as you explore where there are opportunities for growth with your clients: you are doing imaginative work that produces results for customers all the time, but are you cross-pollinating these ideas? Are you taking success stories from one account and sharing those with others? Are you cross-selling successful projects across the same industries or even across different industries? For example, if you have an amazing on-boarding kit program for a client, have you shared this stories with your other clients? Your experience is vast, and your clients need you to inform and delight them with your expertise and lead them to solutions to real problems,

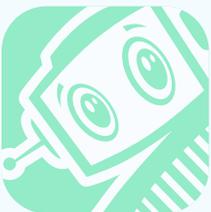


quenching their thirst for more strategic uses for promotional products.

Ultimately, as a coach, what we're trying to do is help our reps eliminate guesswork about a client's growth and discover real potential, not imagined, so that we can come up with smarter goals that are specific and not guesswork.

Sam continued, "Once you do this type of investigative work with your key accounts and determine your best estimate on growth based on their responses, you can come up with an average percentage growth for your total book of business."

"For example, if you determine that out of 30 accounts, 20 will grow and 10 will likely stagnate, but the average growth of the 30 clients is a projected 12%, you can parlay that 12% across the entire 300 accounts and come up with a general growth number."

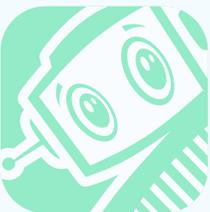




In her previous work with RIGHTSLEEVE, Catherine Graham worked with individual reps to create goals based on leading indicators, what Catherine calls “looking out the windshield,” versus lagging indicators (“looking in the rearview mirror at where you’ve been”). A client’s previous 12-month history is a lagging indicator, it will give you a baseline, a starting point, but from there, once you determine the baseline, you can project growth.

Catherine then challenges reps to reach beyond their initial goals to establish reach goals and to help fuel those goals, incentivizes reps with bonuses if they hit a set stretch goal.

As a coach, one of the best things we can do is to work with the reps to break down big audacious goals into smaller segments so that the rep can focus. One person put it this way, that when an archer is just shooting, they have all their skill, they are in full possession of their capabilities. But when the archer suddenly starts to shoot for a prize, the archer gets



nervous. The archer's skill has not changed but the prize divides her, and she thinks more of winning than of shooting. But all coaches know that the better we are at shooting, the more we will win. This is why coaches always work on fundamentals even with seasoned pros. The break the big win down into smaller tasks. The goal of the coach is to ensure the “player” is performing at the top of their game and focusing on the fundamentals.

And one way to focus on the fundamentals, in this business, is to break down the big win (annual goal reached) into smaller, obtainable goals.

“Once you establish your annual projected growth for your entire book of business, it's easy to then reverse engineer success,” said Catherine. “From your annual gross sales number, look at patterns from previous years to average your monthly goal and then divide that to create your weekly goal. Use that weekly goal to keep the team on track.”



Reviewing weekly goals brings the future into the present. When you can see that a client is 15% behind goal, the conversation with your sales rep becomes actionable: ‘What can we do to inspire this client to buy more?’ ‘Are there projects in the pipeline that we need to follow up on?’” This also, obviously, prevents surprise. Often, in this business, you won’t know you’ve taken a hit with a client until the end of a quarter or six months, or worse, at the end of the year. By that time, it’s too late to change course, what you need is an active view into the current pipeline, where they are at in their growth YTD and how this compares against the goals.”

In our previous articles, we wrote about analyzing your top ten accounts and mining these accounts for more information to double your sales, we then discussed tactics that would get your clients to buy more. And in this post, we discussed analyzing your top 30 accounts to determine your growth goals. But whichever tactics you deploy with your team, one of the most important



activities that you, the coach, can do, is to help unlock their potential “to maximize their performance and help them to learn rather than teach them.”

“

***“The goal of coaching is the goal of good management: the make the most out of an organization’s valuable resources.”***

***- Harvard Business Review***

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