



Business Funding Made Simple

# How to master sales for SMEs

Essential strategies to boost SME sales success



**Sales are the lifeblood of any business. Managed properly, an active sales pipeline can translate into future positive cash flow and profitability. Further down the line, new sales can be turned into active customers who – if valued and retained – can continue to spend with you and be the basis for longer-term growth.**

**According to Capify's most recent Business Confidence Survey (Q2 2023), 44% of SME owners were kept awake at night by the prospect of finding new customers. But not all sales strategies are created equally, and getting a sales strategy that doesn't align to your wider business objectives, can do more harm than good.**

**It doesn't matter how strong your brand, products or services are, or how competitive your prices, if you don't take a considered, structured approach to selling, your business may not realise its potential. Devising a sales strategy is essential to ensuring you are selling your products or services to the right people at the right price and in the right way.**

## What is a sales strategy?

A sales strategy is a plan that explains how an SME can sell its products or services. It outlines the business' approach to market and identifies what it will sell, which customers it plans to target and what sales channels it will use to reach them. It maps out how a business will use the sales it generates to support its wider strategic objectives.

## Why is it important?

Developing and implementing a sales strategy with clear targeting, processing, and messaging can result in a more motivated and effective sales team. It can help narrow the funnel of prospective targets and shorten the time it takes to process a lead through the sales pipeline. It will also increase the ratio of deals won.

Without a reliable sales strategy, a business risks wasting time, energy and resources. If the sales efforts are unstructured and ineffectual, it is likely a business won't make enough sales to survive and grow. The best sales strategies work in harmony with marketing strategy.

**Our Business Booster guide** maximising your marketing efforts will help better understand how to attract and retain customers.

# 10 top tips for creating a winning sales strategy

1

## **Cement your market proposition**

All successful businesses will know that they are offering something unique or valuable to their customers. This could be in the form of product features, price point or customer service. But understanding where your business fits into the competitive landscape will help you understand how and where to sell it and to whom.

2

## **Know your buyer**

Knowing what your target buyers look like is a central tenet to a successful sales strategy. By knowing their needs, preferences, and pain points, you can tailor your value proposition to match their requirements. Trying to appeal to everyone can result in appealing to none. Before putting together your sales strategy, make sure you know the answers to fundamental questions about your target customers. Who are they and what do they want? Where do they make their purchasing decisions, what do they buy, at what times and through what channels? What are they currently spending on similar products or services? What characteristics, behaviours and attitudes link them? What are their perceptions of your competitors?

# 3

## **Align market proposition and sales strategy**

Once you've fully agreed and understood your value proposition, it is important to ensure that it aligns with the sales strategy. A premium product or service will have a very different sales approach than one with a lower price point. Lower price point products may have a higher initial volume of sales, but may struggle with customer retention. Whilst those who rely on building a premium brand, may want to allow longer to build a comparatively lower volume and higher values of sales.

# 4

## **Set clear objectives**

Having key sales targets is essential starting point for any sales strategy. Whether that be in total revenue or unit sales, a business should have a sales objective – measured against a quarter, six months or year. Objectives should always be SMART (**S**pecific, **M**easurable, **A**chievable, **R**ealistic and **T**ime-bound). If you don't have clear, measurable objectives, it is hard to accurately measure performance against them. SME owners should think about whether they want to achieve a certain level (volume or value) of sales per month, or whether they want to grow historic sales levels by a certain % across the period. Thinking about whether those sales will come from new business or existing customers will also help your strategic thinking.

A green circular graphic consisting of a thick line that forms a partial circle, with the number 5 placed inside it.

## 5

### **Understand your channels**

A sales channel is the route by which you sell to customers. There are many different channels to consider, and a strong sales strategy will have a multi-channel approach. At its core, is a decision as to whether to sell directly to customers or indirectly. When selling directly, channel options can include selling face-to-face, via your website or online marketplace sites such as eBay, direct mail, or telesales. Some businesses may sell indirectly via intermediaries such as wholesalers, retailers, dealers, brokers and overseas distributors. Other businesses license sales of their products or services. Understanding where you think your ideal customers are most likely to be reached and influenced, will help determine the best channels to target.

A dark blue circular graphic consisting of a thick line that forms a partial circle, with the number 6 placed inside it.

## 6

### **Set your tactics**

Once you understand the channels you want to prioritise, you may want to consider different prices for customers acquired in different ways. You might think about tactics such as lower pricing for online sales, or for sales made at different times of the month or year. Alternatively, you might decide to offer bundled products, or two-for-one deals to encourage sales in periods of lower demand. If you are selling indirectly, be sure to understand the impact of commission fees or margin reduction and feed this into your overall forecast and strategy.



# 7

## **Invest in technology**

Making use of a robust CRM (Customer Relationship Management) system will help you better process meaning sales analytics. This will help with insights on sales trends, customer behaviour and sales team performance and will enable you to make more informed decisions around forecasting and future sales strategies. automate and streamline your sales process. You may also want to consider you enhancing your website to enable automation of some of the sales process – from booking forms and invoicing, to repeat orders and customer feedback.



## 8

### **Don't forget existing customers**

It's significantly harder to win new customers than it is to retain existing ones. Yet many businesses often overlook the sales value in their existing customer base. Building long-term relationships with your customers can lead to repeat business and referrals. High-quality customer service can differentiate you from your competitors and can increase customer loyalty and advocacy for your business. Finding ways to retain customers and getting them to spend more can be as important to sales growth as winning new business. Owners may want to think about opportunities for "upselling" – moving current customers onto higher-value products or services – or "cross-selling" – selling in an additional product or service to their existing order.

## 9

### **Invest in your sales Team**

Ultimately, the success of your sales strategy may come down to the ability and confidence of your sales personnel. Communicating the sales strategy and the tactics required to deliver it, will help your team understand where their efforts are being focused. You should also ensure that their reward structure is aligned to your overall sales strategy. Regularly training and develop your sales team will also ensure that they are equipped with the necessary skills to handle any changes to that sales environment.



# 10

## **Monitor and Review Your Sales Strategy**

A good sales strategy requires regular review and monitoring. Assessing the effectiveness of your strategy and making adjustments to ensure it remains effective is absolutely crucial. Your initial assumptions may be wrong, or your products or services could appeal to customers you hadn't envisaged. Some channels may overperform or underperform against forecast. Revisit your sales strategy every quarter to make improvements where possible. Regular monitoring and evaluation will enable you to do more of what works and stop doing things that don't.

Sales are a fundamental part of all businesses. But for SMEs, without the luxury of a market-leading brand, getting the sales strategy right is crucial to sales success. Understanding where your product or service fits in any given marketplace, and the reasons why buyers might choose you is the beginning of that process. This understanding will help align your channel and pricing tactics and help you build a better forecast for achievable sales growth.

Investing in good customer service, technology and sales team personnel may also be necessary to ensure your customer touch-points are working in harmony with your sales and business strategy.



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