

# Win & retain more high value clients

To continue “business as usual” was not an option. The focus of the Sales force needed to radically change for the company to be successful.

MH, Managing Director

## The business

A £40M turnover ICT company based in the south of England that had survived the ICT industry downturn but had lost some of their energy and direction.

Customers were increasingly viewing their products and services as a commodity and competition was increasing. As a result prices were dropping and some long term customers were going elsewhere. In spite of this revenues and profits were continuing to slowly grow but this was dependant upon winning one unplanned large “bluebird” project each year.

## Their challenge

Eliminate the dependency on unplanned projects and build a Sales strategy for sustainable revenue and profit growth.

Winning a higher proportion of bids was essential along with increasing average revenue per account. At the same time the company also needed to reduce costs and be able to flex as needs changed.

## “What does success look like?”

That was the first question that Three Step Consulting asked when they were invited to help build and implement the new Sales focus. The prime reference point was a set of specific revenue and profit objectives with fixed delivery dates.

Setting these objectives needed to be done with care because an aggressive financial objective will demand aggressive actions to be taken. In this case more modest initial objectives were agreed. This enabled Sales to adapt to some significant changes and allowed for issues that had not been considered.

As well as financial objectives Three Step Consulting also encouraged the company to look at other ways that success could be recognised. These included:

- **Linkage to the overall objectives of the company**
- **Employee satisfaction**
- **Customer satisfaction**
- **Customer renewal rates**
- **Bid win ratio**
- **Sales Pipeline**
- **Employee understanding of the strategy**

## The perfect customer

The first stage of the project was to help the company agree the top 10 criteria that defined a “perfect” customer. This was achieved by working with Sales and other departments as well as referring to the overall objectives of the company.

The Top 10 perfect customer criteria included:

- **The customers business starts to loose significant revenue the minute that their network goes down**
- **Willing to spend >£50k per year on services**
- **Does not just buy on price**
- **Understands and appreciates our added value**
- **A potential lifetime value of >£500K**

All existing customers were then reviewed and those who met at least 8 out the 10 criteria for a perfect customer were identified as important to retain and get special treatment. Businesses like them were also identified as ideal targets.

The top 10 criteria for an “undesirable” customer were also developed using a similar process. Existing clients who met 8 out of the 10 criteria for “undesirable” customers had their status reviewed.



## Get more customers

Using the perfect customer model it became much easier for Marketing and Sales to target suitable prospects. Decide which projects to bid for and which to decline became less of a challenge too. It also became significantly easier to differentiate from the competition by focusing on the factors that perfect accounts cared about.

## Get, Grow, Love

Three Step Consulting identified the need to classify the different Sales skills that were required at different stages of the customers relationship with the company. These stages were defined as Get, Grow and Love. Sales people who are good at getting new business are rarely good at growing business within the account. The skills required to love the account and keep them with the company are also different. This led to a significant change in how Sales were organised and staffed.

## What to sell

The company had been positioning themselves in the market as experts in any type of complex project. Three Step Consulting identified that this had led to many one off projects that were expensive to deliver and maintain. Several projects had even been delivered at a loss. Potentially even more damaging the marketplace did not understand exactly what the company were good at.

Working with existing perfect customers and cross company teams Three Step Consulting helped identify 6 specific propositions that target customers wanted. Once identified the 6 propositions became the centre of the Sales and the Marketing strategy. The company had to reallocate some resources to deliver the propositions and stand out from the competition.

## Communication

To make the new Sales strategy work it was essential that everyone in the company understood the strategy and their part in making it happen.

At the heart of the communications activities Three Step Consulting helped two of the Sales Managers to develop a one day interactive Sales training event which was run several times. A major difference from other sales training events was that Marketing, Customer Services, Finance, IT and all of the other departments were invited to come too. Those who could not attend the workshops invited a Sales Manager to their monthly meeting to explain the strategy.

## Sales Pipeline

The last major piece to put in place was a simple methodology for tracking all Sales prospects by proposition. This was based on a fixed percentage win probability driven by the exact stage in the sales cycle. This enabled the company to both forecast revenues more predictably and clearly see where actions needed to be taken to get back on track.

## What were the results?

**Revenue and profit increased.** Providing a clear Sales focus and direction resulted in financial targets being met or exceeded with no dependence on an unplanned project. More bids were successfully won.

**Employee satisfaction improves.** Measured against a survey carried out at the start of the project employee satisfaction and understanding of the business and sales strategy improved by 25%.

**Targeted profitable customers are now treated differently from non-targeted, unprofitable customers.** Prior to this project all customers had been treated equally irrespective of their value to the business.

**Departments worked together better.** Working together to understand the "perfect" customer enabled departments to better understand the challenges that their colleges faced and relationships improved dramatically.

**The goals and objectives of different departments are now compatible.** This significant issue was resolved by helping the company implement goals and objectives that cascaded both down and across their company.

**Customer renewal rates increased.** Several new processes were put in place to ensure that renewals were given much higher importance and a tighter linkage made to marketing and sales activities.

**Marketing and Sales resources allocated to existing customers.** Customer contact with existing accounts was increased and a strategy to be more customer focused and less product focused was agreed.

**Customer satisfaction increased.** Responsibility for all aspects of customer satisfaction was given to one department and customer satisfaction in target accounts has increased.

**Organisational change and cost reductions.** The number of different departments was reduced by 66% which cut costs and made the company more agile as the market changed.

## Summary

The secret of successfully growing sales for the company was based on identifying the best accounts to retain and targeting customers like them. Departments worked together to implement the well communicated sales strategy and the whole company became more customer focused in everything that they did.

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