

## **Business Flexibility and the Sales Director**

Common sales goals in commercial business are to satisfy client needs that result in gross margin growth (sales income less cost of sales). And to build strong client or customer relationships. Ones that result in repeat business. The business owner expectation is that long-run share price will improve, based on consistent evidence of sales growth, gross and net margin improvement. And brand loyalty from a satisfied, if not delighted customer base.

As products and services increasingly become digital, the component value generated and the sales channels used, alter over time. An initial concern for the Sales Director is how to ensure the sales goals (see above) continue to be met, even as a digital transformation occurs in the products and services sold.

External threats undermining the sales goals may come from; economic shocks, government legislative change, a consumer backlash, industrial action. Or perhaps industry disruption from entirely new competitors.

Internal threats undermining the sales goals may come from; departmental warfare, muddled strategic thinking, organisational politics. Or simply the 'growing pains' to achieve scale and critical mass in the chosen markets.

For all types of threat to the sales goals, improving the business flexibility will help. Why? Because improved business flexibility helps the business cope with general uncertainty firstly. And the emergent threat second.

Sometimes, fostering a range of viable selling approaches can be as valuable as concentrating on executing one sales approach supremely well. Improved business flexibility also enables business scalability, to support the sales growth goal.

For the Sales Director, converting sales activity into orders and then into sales transactions stands a better chance of success, if a deal can be done where the client puts a fair value on the business flexibility resulting from closing the deal. It's about selling not just today's physical product design quality. But also, tomorrow's versatility - think of the swiss army knife example. Or the example of a data security product or service that isolates cyber threats in real time.

Depending on the product, it may be possible to boost the credibility on this 'flexibility value' (and perhaps extract a higher sales price from the client) by getting a credible external party (a finance consultant or independent valuation specialist) to price up the options value. Or ask the client to get an internal specialist to value the FL resulting from the deal. An example of the first type is where insurance sales staff already look to inhouse actuaries, to justify the premium charged to their customers, on insurance products sold.

Businesses sometimes face customer retention problems if they can't or won't match the lowest market price, including from industry disruptors. Or if after-sales support is substandard. Customer perception can be altered by price comparison sites, which prima facie emphasise best price for each quality level. But don't typically normalise the benchmarks to a true like-for-like comparison. Again, if your product or service has notable flexibility value, will the customer or price comparison site, necessarily pick this up when a purchasing decision is made? If not, how can you intervene to increase sales volume and boost sales price as well?

Businesses sometimes lose potential sales because of an inability to shorten the delivery lead time to get the product to the customer, when they want it. How can business flexibility help address the

customer demand that *I want it yesterday. And failing that, I want it instantly!* One idea is to engage with the client on the technical features and benefits available when they buy. That gives you an opportunity to emphasise business flexibility in the specification. After further thought, the client might change their specification, giving you the chance to emphasise client customisation (a form of business flexibility) and the necessary (bespoke design or hand-crafting) lead time to give them something that will better meet their needs.

Businesses sometimes face controversy, creating 'trial by media' and making the salesforce's job considerably harder in the short term. The sales function can be pro-active in strengthening business flexibility in anticipation that one day, such a controversy will strike the brand. The flexibility allows effective action to contain the problem to one part of the geographical business. And distance the problem from the general integrity of the product or service. A test of the business flexibility is how quickly the brand can bounce back and convert controversy into strength. Perhaps find a way (perhaps encourage arm's length, opinion leaders to set up a 'friends of the brand' group?) to moderate the word-of-mouth emphasis amongst customers to other customers or to prospects? Some brands such as the Star Wars franchise or Harley Davidson almost seem to create a cult following, capable of overcoming any alien strikes, or bumps in the hog road respectively. Alternatively, stay flexible enough not to freeze in the trial by media, but to use the media controversy to advantage. The Benetton brand in its advertising used unconventional images to coax sales for a time. Rock and Roll bands, rap stars and populist politicians have courted popularity by courting controversy as well.

A final point for Sales Directors to think about. Is the supreme form of sales negotiation seeking out new proposals not yet thought of by either party? It demonstrates business flexibility thinking at its best and may be your key point of differentiation over competitors.

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