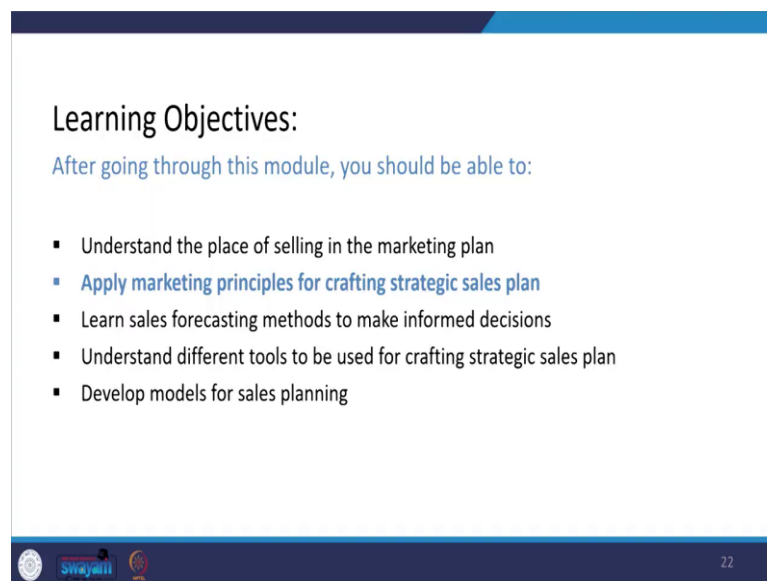


Strategic Sales Management
Prof. Kalpak Kulkarni
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Lecture - 08
Use of Marketing Principles in Creating Strategic Sales Plan

Now, coming to the second objective of this week 2 is to know marketing principles and how to apply them for creating strategic sales plan.

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Learning Objectives:

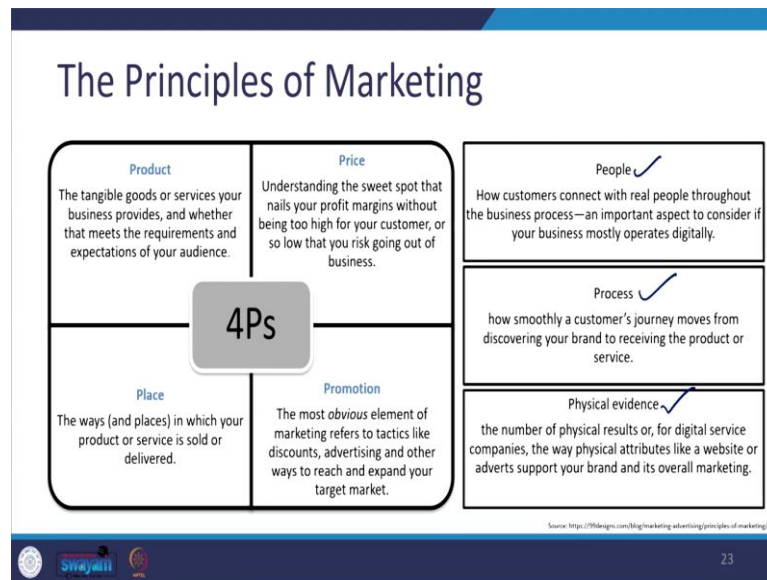
After going through this module, you should be able to:

- Understand the place of selling in the marketing plan
- **Apply marketing principles for crafting strategic sales plan**
- Learn sales forecasting methods to make informed decisions
- Understand different tools to be used for crafting strategic sales plan
- Develop models for sales planning

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So, McCarthy gave us 4 Ps of marketing these are the 4 principles of marketing.

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So, he specifically talks about 4 Ps which is actually the acronym of Product, Price, Place, and Promotion. Product is nothing but the tangible goods or services your business provides and whether that meets the requirement and expectations of your audience or customers.

Price is a revenue bringing P in the 4 ps. So, understanding the sweet spot that nails your profit margin without being too high for your customer or so low that you risk going out of business. So, businesses has to identify a sweet spot or a correct pricing methodology to identify the prices at which they want to sell their products or services. Third P talks about place the ways and places in which your product or service is sold or delivered there are various decisions organization can takes with related to this place right.

So, for example, an organization like Zara can have exclusive stores through which only it will sell it products or apparels for that sake; however, there are FMCG companies that use multiple range of intermediaries to sell their products. So, they have like retailers they will sell their products through malls as well through larger retailers as well as the local Kirana shops that we buy from.

So, the place is again one of the crucial P under the principles of marketing and coming to the fourth P that is promotion. So, it is the most obvious element of marketing that refers to tactics like discounts, advertising, sales, promotion and other ways to reach and

expand your target market going further as products may not always be tangible right. So, there are products or something which are having intangibility as a part of it.

So, for them there are additional 3 Ps we can look at people, process and physical evidence. People is nothing but how customers connect with real people throughout the business process. So, here the real people is nothing, but your employees an important aspect to consider if your business mostly operates digitally as well. Process another P which talks about how smoothly a customers journey moves from discovering your brand to receiving the product or service at his premises.

And the last is physical evidence. The number of physical results or for digital service companies the way physical attributes like a website or adverts supports your brand and its overall marketing. So, all these 7 Ps are considered as principles or the 7 Ps of marketing.

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Going ahead just look at this example where McDonalds brand is chosen and this is how a 7 Ps will work together to take this brand to the customer. So, for example, product we have the veg non veg, menu, beverages, frozen, desserts.

So, there are different range of products that are offered by McDonalds prices are fixed they will have some combination some discounts and everything. So, they use the psychological pricing and even cost leadership right to take their product you know

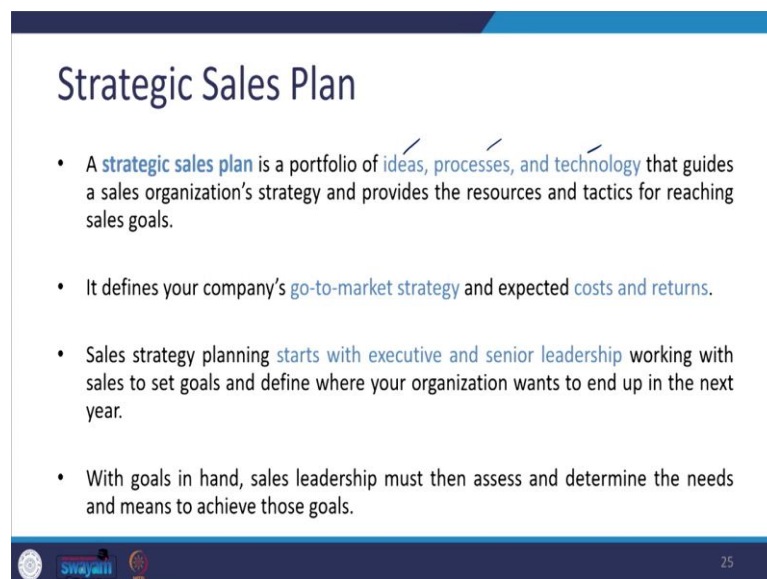
having their products price very accurately. Coming to place they are present across popular locations usually on highways and malls and etcetera across most cities and they also have like you know facilities of drive in and drive through options as well.

Coming to the promotion they usually promote happy meals with free toys they have they run billboard ads, they run different campaigns on social media as well and the physical evidence is about how the particular store layout store design is there. So, it has this McDonald-Mascot, they have the social media accounts, they have franchise buildings they have employee uniform and even the processes which is nothing, but the next P which is transparent to consumers and they are uniform across locations even in India and abroad.

And finally, coming to their last P that is people they have fast and friendly service delivered through their trained employees. So, that is how 7 Ps define how the mc D provides products or services to its customers. Now how it is related to strategic sales plan? So, the objective of this part is how marketing principles help us to create strategic sales plan now we just discussed what are the marketing principles are.

Now, let us look at what is strategic sales plan and towards the end we will bring these two together to see how these marketing 7 Ps affects our strategic sales plan.

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Strategic Sales Plan

- A **strategic sales plan** is a portfolio of **ideas, processes, and technology** that guides a sales organization's strategy and provides the resources and tactics for reaching sales goals.
- It defines your company's **go-to-market strategy** and expected **costs and returns**.
- Sales strategy planning **starts with executive and senior leadership** working with sales to set goals and define where your organization wants to end up in the next year.
- With goals in hand, sales leadership must then assess and determine the needs and means to achieve those goals.

Swajini 25

So, a strategic sales plan is a portfolio of ideas processes and technology that guides a sales organization strategy and provides the resources and tactics for reaching sales goals. So, it defines your company's go to market strategy and expected cost and returns as well.

So, sales strategy planning starts with executive and senior leadership working with sales to set goals and define where your organization want to end up in the next year. So, with goals in hand sales leadership must then assess and determine the needs and means to achieve the goals that have been set.

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Strategic Sales Plan

- The **corporate strategy** defines the organization's overall direction and the high-level ideas of how to move towards it.
- A corporate strategic plan generally encompasses:
 - The vision for the organization
 - The company's values
 - The strategic focus areas
 - The strategic objectives
 - The most important KPIs

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Now strategies follow a different hierarchy right. So, at the top we always have the corporate strategy that is defined at corporate headquarters.

Then we have business strategies which is actually applicable to strategic business units operating under the particular corporate brand umbrella and then at the lowest level we have functional strategies strategies like manufacturing, finance marketing strategy R and D strategy human resource strategy and so, on. So, start with the corporate strategy. The corporate strategy defines the organizations overall direction and the high level of ideas of how to move towards it.

So, the corporate strategic plan generally encompass different things like the vision of the organization that is where the organization want to go or want to see itself in the long

run the company's values for example, TATA is known for trust. So, trust is a value that is aimed at every function across any kind of you know business units that is a part of TATA group then the corporate strategy also includes strategic focus areas like let us say electric vehicle nowadays for TATA motors.

So, that is in strategic focus area for them then the strategic objectives. So, within electric vehicles what exactly TATA motors wants to achieve and then going further the most important KPI's that is key performance indicators, how many number of electric vehicles you want to sell in 2 wheeler versus 4 wheeler or whatever. So, that particular key performance indicators will also form a part of the corporate strategic plan.

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Strategic Sales Plan

- The **business strategy** is a means to achieve the goals of a specific business unit in the organization.
- A large Bank is a good example of an organization selling multiple services in different industries.
- To name a few, it has business units in corporate banking, wealth management, risk management, and insurance. Each of these business units would have distinct goals and a distinct business strategy to achieve these goals.

swajali 27

Going further, as a business strategy is means to achieve the goals of a specific business unit in the organization. Let us take for example, a large bank which has difference kind of you know business units its a good example of an organization selling multiple services in different industries for example, general insurance versus life insurance.

So, these are the two different strategic business units having different kind of goals and objectives to achieve. To name a few let us say a bank has business units in corporate banking wealth management, risk management and insurance. So, each of these business units would have distinct goals and a distinct business strategy to achieve these goals now coming to the most important part functional strategy.

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Strategic Sales Plan

- **Functional Strategy** decisions are made by Functional managers that are often described as tactical decisions.
- They are concerned with how the various functions of an organization contribute to the other strategy levels.
- In simple terms, this is the strategy that will guide the day-to-day work of employees and will ultimately keep your organization moving in the right direction.

Swajathi 28

So, decisions are made by functional manager at this level and that are often described as tactical decisions. So, they are concerned with how the various functions of an organization contribute to the other strategy levels. In simple terms this is the strategy that will guide the day to day work of employees and will ultimately keep your organization moving in the right direction.

So, every function will have its own strategy. So, there will be a manufacturing strategy, there will be a finance strategy and similarly under marketing we will have a selling strategy.

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Strategic Sales Plan

- A **strategic sales plan** is a portfolio of **ideas, processes, and technology** that guides a sales organization's strategy and provides the resources and tactics for reaching sales goals.
- It defines your company's **go-to-market strategy** and expected **costs and returns**.
- Sales strategy planning **starts with executive and senior leadership** working with sales to set goals and define where your organization wants to end up in the next year.
- With goals in hand, sales leadership must then assess and determine the needs and means to achieve those goals.

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So, as defined earlier a strategic sales plan is a portfolio of ideas, processes and technology.

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Strategic Sales Plan

- **Strategic Sales Plan Vs. Business Plan**
 - A sales plan details;
 - The revenue objectives of the company
 - The target audience
 - The tools the team will use in their day-to-day
 - The hurdles and pain points the team might encounter
 - The contingency plans to overcome such hurdles

Handwritten notes on slide:
- "Demographics" with an arrow pointing to "The target audience"
- "₹/\$" with an arrow pointing to "The revenue objectives of the company"
- "lifestyle" with an arrow pointing to "The target audience"
- "CRM" with an arrow pointing to "The tools the team will use in their day-to-day"

- A business plan is a **'what'** [and] a sales plan is a **'how,'**
- A business plan is **direction** a sales plan is **execution**

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So, going ahead a strategic sales plan is again something which is different from business plan. A sales plan will detail the revenue objective of the company like you know in terms of rupees or dollars what exactly revenue goals you want to achieve the target audience that again may be based on demographics right then may be based on lifestyle and then it also lists the tools the team will use in their day to day activities like which

kind of you know CRM software a particular team will use to achieve these day to day activities.

The hurdles and pain points the team might encounter while you know performing these activities and then the contingency plans its most important to overcome such hurdles that they are they will face in future. So, a business plan is talks about what where the sales plan is about how. So, business plan will say what you want to achieve, but the sales plan will define how you are going to achieve that particular objective.

In a different sense a business plan gives direction where you want to go whereas, sales plan is mostly about execution how you are going to do that particular activity. So, with this every sales plan should suit the individuals need of a different company. So, they come in all shape and sizes.

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Strategic Sales Plan

- Every sales plan should **suit the individual needs of a different company**, so they come in all shapes and sizes.
- There is **no one-size-fits-all sales plan**; the one you create will be unique to your business.

✓ Targeted accounts ✓
✓ Targeted verticals ✓
✓ SKUs (Stock Keeping Units) ✓
✓ Product road maps ✓
✓ Forecasts ✓

Handwritten notes: A, B, C, D, Sales, NB, SW

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So, there is no kind of you know one size fits all sales plan that are available and which can applicable to every company on the earth. So, one you create will be unique to your business kind of or a company as well. So, usually the strategic sales plan will consist of targeted accounts right.

So, you will have some classification like A, B, C, D where A will be the high important or very critical customers that giving most of the revenue to your organization B is something which is in between they give volume as well as some value to the to the

business whereas, C is something which gives very less value business in terms of value, but they may order in large volume as well.

So, there are different classification a company can follow to identify the targeted accounts and again there can be a targeted verticals as well. So, maybe for example, automotives there can be like you know Sedan versus hatchbacks right versus SUVs something like that. So, there are different business verticals and the same organization can have different targeted verticals giving different strategic sales objectives to each kind of you know sales team that is working in that particular vertical.

Again SKU s going further like even in SUV which one for example, in the case of SUVs do you want to have a mini SUV or you want to have a full fledge SUV something like that. So, there are different SKU s or stock keeping units that can be listed under the part of sales plan then product road maps as well. So, how the product will continue its journey over a period of time? No company or even a single company would like to have offer a particular product that goes out of the market once it is launched.

So, as a company as a leadership they have to decide the product road maps like after every kind of you know product life cycle what are the innovations that will bring in and stretch the particular product life cycle beyond what is there. And then five ultimately the most important part is forecast. Every strategic sales plan must have forecast and there are different tools and techniques to do the forecasting.

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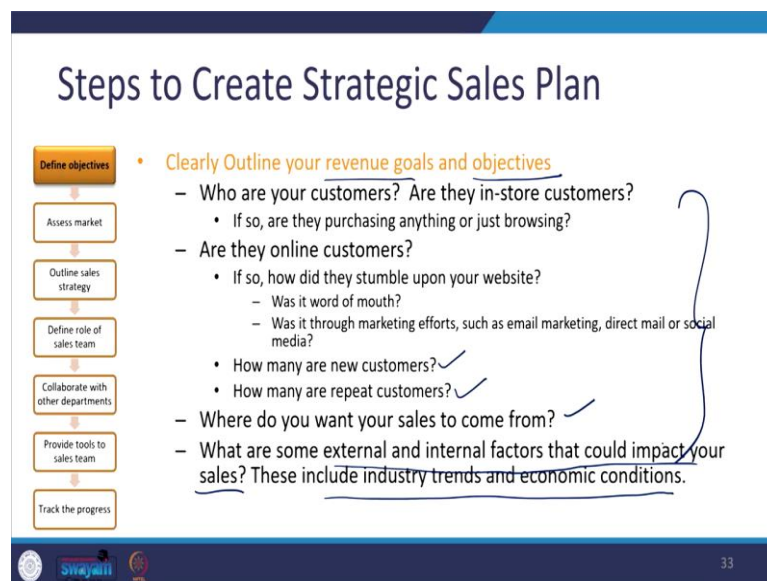


Coming to steps to create strategic sales plan. Now you know that what the strategic sales plan is and how it is different from business plan. Let us look at the steps that should be followed to create a strategic sales plan.

Start with defining objectives for the sales assess market that is current situation of the company or a particular product or a brand, outline a particular sales strategy, define role of sales team that are the part of that particular objective then collaborate with other departments provide tools to sales team and then ultimately track the process, but this is not a one way process it has to loop back into the system.

So, once you track the progress of your strategic sales plan whatever you achieved or not achieved, it should again go back to defining your objectives for the next cycle right. So, let us look have a look at each of these steps in detail first step is defining objectives.

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So, its important to clearly outline your revenue goals and objectives, but before that let us say for example, you are owner of a retail store which is you know running online there are multiple questions that you should be able to answer to define your objectives in clear terms.

First who are your customers are they in store customers or are they buying online? If so, are they purchasing anything or just browsing on your website? Again are they online customers? So, there may has to be different set of questions to be answered then how

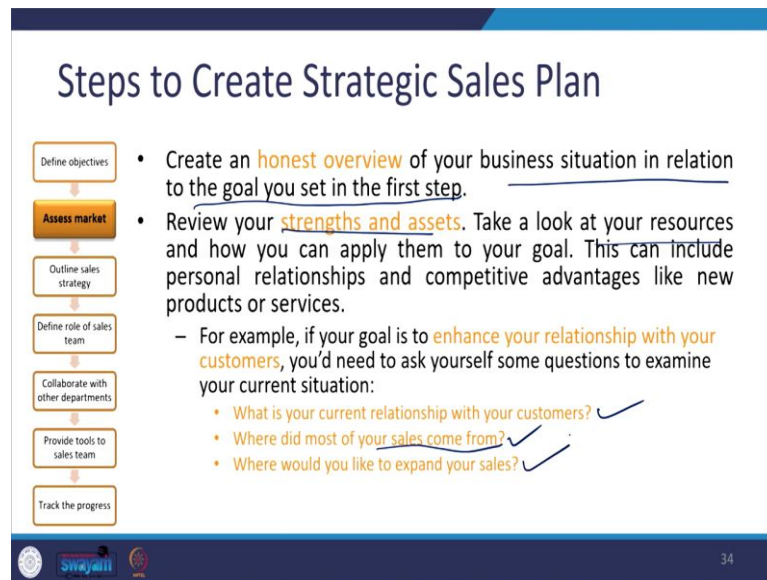
did they stumble upon your website? Do they come from a Google search the organic search or they came from a paid search campaign? Was it word of mouth that brings them to your website or was it through marketing efforts such as email marketing direct mail or social media marketing?

How many are new customers? How many are repeat customers that will clearly gives you an idea about how your previous marketing campaigns are running. Where do you want to sale come from? Do you want to achieve your most of sales through online channels or are you interested to bring more footfalls to your offline retail stores? What are some external and internal factors that could impact yourselves?

So, one needs to have been clear about what are the factors that affect these kind of you know sales leads. These include industry trends and economic conditions and for which again we need to look into some forecasting techniques as well. So, these are some questions one should be ready in order to clearly outline your revenue goals or objectives. So, for example, revenue goal can be to achieve kind of you know I will have my 10 percentage of my market share in offline retail stores through sales promotion campaigns.

So, the goals has to be smart which is which has to be specific measurable attainable accessible and you know it has to be time bound in what time period you want to achieve those goal or a particular goal. Is it something you want to achieve by the next quarter or is it something you are looking at to achieve by next financial year? So, have that clear understanding and having the answer to these all questions will make the job easy.

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Coming to the next step assess market. So, its important to assess current situation in the market create an honest overview of your business situation in relation to the goal you set in the first step. For example, if a particular industry is going down because of any external economic shock its not good to project the highly or being optimistic and set high value sales value targets or volume targets right.

If the industry is going down and you are a part of that industry, then ultimately you will also have some impact from those external economic shots right. So, review your strength and assets take a look at your resources and how you can apply them to your goal this can include personal relationships and competitive advantage like new products or services as well.

For example, if your goal is to enhance your relationships with your customers, you would need to ask yourself several questions like what is your current relationship with your customer? Where did most of your sales come from like existing customer, new customer? Where would you like to expand your sales?

Are you want do you want to focus more on your existing customers and making them repeat purchases from your store or whether you want to put more efforts to attract new customers and have the sales from their side?

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Steps to Create Strategic Sales Plan

- Define objectives
- Assess market
- Outline sales strategy
- Define role of sales team
- Collaborate with other departments
- Provide tools to sales team
- Track the progress

- Sales strategies are the actual tactics your team will use to reach customers.
- They can include marketing channels as well as procedures for lead generation and client outreach employed by your salespeople.
 - Here are two examples of potential sales strategies:
 - Use your POS system to retain customer information so you can track current and new customers.
 - Employ email marketing, mobile marketing, social media, outbound call center services and direct mail marketing campaigns.

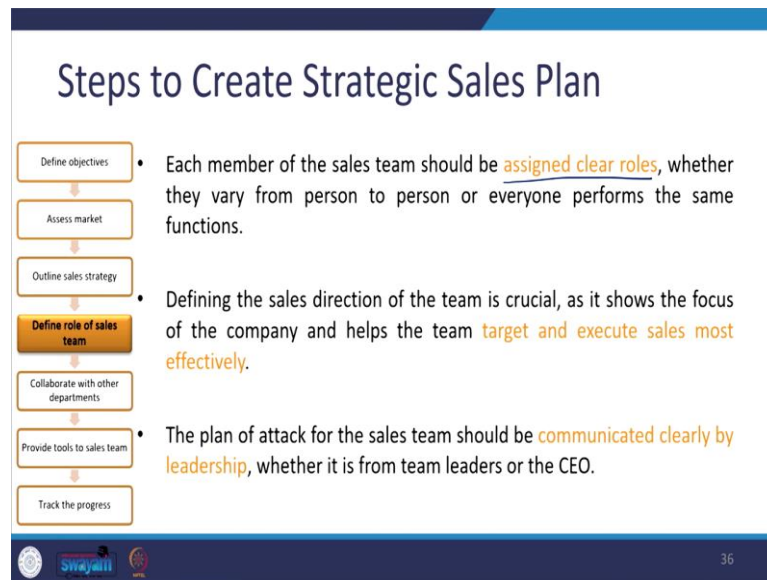
Coming to the third step which is outlining sales strategy sales strategies are the actual tactics right. So, they use by actual sales people on the field your team will be using it to reach customers. So, they can include marketing channels as well as procedures for lead generation client outreach and etcetera. So, for example, you can use your point of sale system that is POS system to retain customer information so, you can track current and new customers.

For example, when we visit any kind of a shop we get the bills or either we get our card or you know UPI payment done by them. So, they know our mobile and everything. So, that is a that is a way of collecting information about customers at many places even the company's float feedback form or something like that. So, that they can know more about their customers.

Another example is employee email marketing or mobile or social media marketing activities where outbound or even outbound call centre can be employed to collect these kind of information's. So, these information's will actually fit into your strategic sales plan to give to give an insight into what actual tactics can be used by sales team to reach or approach to the customers that they are interacting with.

Then coming to the next stage which is about defining role of sales team. Now you now the sales tactics are ready right now you want to define whose job is what.

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Each member of the sales team should be assigned clear roles whether they vary from person to person or everyone perform the same function. Defining the sales direction of the team is crucial as it shows the focus of the company and helps the team target and execute sales most effectively.

The plan of attack for the sales team should be communicated from top leadership whether it is from team leaders or the CEO. Coming to the next step now as you have defined the role for each sales team member its important to collaborate with other departments as well.

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Steps to Create Strategic Sales Plan

- Define objectives • Clearly outline your plan for the rest of the company to help them understand the goals and procedures of the sales team.
- Assess market
- Outline sales strategy • Other departments become **more efficient** when interacting with the sales team and clients.
- Define role of sales team
- Collaborate with other departments** • This also conveys a certain **level of quality and professionalism** to the clients about the company.
- Provide tools to sales team
- Track the progress

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Clearly outline your plan with the rest of the company to help them understand the goals and procedures of the sales team.

Other departments become more efficient when interacting with the sales team and the client because they know everything what has been the previous communication with the particular client. So, this also conveys a certain level of quality and professionalism to the clients about the company.

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Steps to Create Strategic Sales Plan

- Define objectives • Provide the tools each member of the sales team needs to achieve the stated goals, such as customer relationship management (CRM) software.
- Assess market
- Outline sales strategy
- Define role of sales team
- Collaborate with other departments
- Provide tools to sales team** • The best CRM software is customizable to meet a company's needs, making it much easier for your team to use the software and work efficiently.
- Track the progress

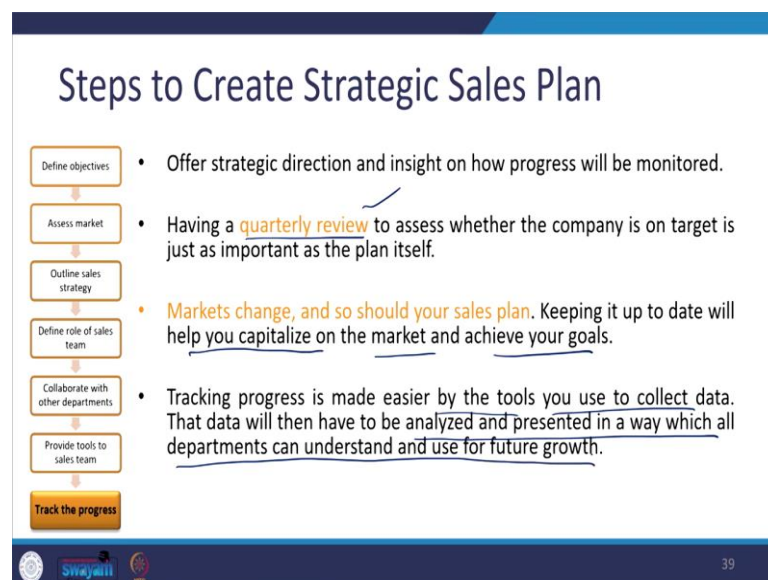
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Coming to the last, but one stage that is providing tools to sales team here provide the tools to each member of the sales team that for example, customer relationship management software. So, the best CRM software is customizable to meet the company's making it much easier for your team to use the software and work efficiently over it. So needs, here is some examples of best kind of you know sales CRM software's. So, for small businesses sales force has been ranked as the best CRM software.

Or for example, for let us say best for complete life cycle management of customers Zen desk offers the best features for the companies.

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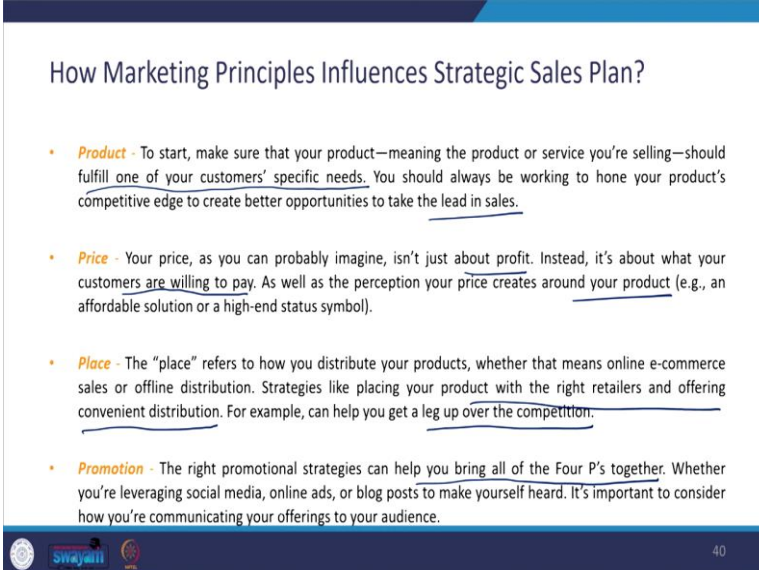


Coming to the last stage tracking the progress which is very much important. So, offer strategic direction and insight on how progress will be monitored. So, its important for any executive or leadership to offer these kind of direction to how we are going to track the progress of a particular strategic sales plan. Having a quarterly review to assess whether the company is on target is just as important as the plan itself.

Market changes and so, should your sales plan keeping it up to date will help you capitalize on the market and achieve your goals. So, its important to continuously update you know taking the new information into the system and revising the objectives as well as tactics. So, tracking progress is made easier by the tools you use to collect data. So, the same tools that you are using to collect data from consumers can be used or employed to track the progress.

So, the data will then have to be analysed and presented in a way which all departments can understand and use for future growth. Now this is what we know about how to devise a strategic sales plan the steps we have just followed through. Now how the 4 Ps or the marketing principles connects to this strategic sales plan for example, the first one is the product.

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The slide is titled "How Marketing Principles Influences Strategic Sales Plan?". It contains four bullet points, each with a key marketing principle in bold and a detailed explanation. The text is underlined for emphasis.

- **Product** - To start, make sure that your product—meaning the product or service you're selling—should fulfill one of your customers' specific needs. You should always be working to hone your product's competitive edge to create better opportunities to take the lead in sales.
- **Price** - Your price, as you can probably imagine, isn't just about profit. Instead, it's about what your customers are willing to pay. As well as the perception your price creates around your product (e.g., an affordable solution or a high-end status symbol).
- **Place** - The "place" refers to how you distribute your products, whether that means online e-commerce sales or offline distribution. Strategies like placing your product with the right retailers and offering convenient distribution. For example, can help you get a leg up over the competition.
- **Promotion** - The right promotional strategies can help you bring all of the Four P's together. Whether you're leveraging social media, online ads, or blog posts to make yourself heard. It's important to consider how you're communicating your offerings to your audience.

At the bottom of the slide, there are logos for Swayam and a page number 40.

So, to start make sure that your product meaning the product or service you are selling should fulfil one of your customer specific needs. You should always be working to hone your products competitive edge to create better opportunities to take the lead in the sales let us say for example, Netflix what is what is their vision? Is to provide the best of entertainment to its audience and every product every kind of you know movies or series they bring on has the single motive to attain that particular objective of entertaining the people across the globe.

Price; your price as you can probably imagine is not just about profit its more than profit instead its about what your customers are willing to pay as well as the perception your price creates around your product right whether you are pricing the product to indicate an affordable solution or you are pricing the product in a way to signal high end status symbolism right.

So, place another P the place refers to how you distribute your products whether; that means, online E-commerce or offline distribution strategies like placing your product

with the right retailers and offering convenient distribution are important for your strategic sales plan as well for example, this can help you get a leg up over your competition as well. So, if a particular company is decided to go with the exclusive distribution only through its own stores or something is actually limiting their reach to the audience.

And if the customer segment that they are targeting is not in that particular kind of you know geographic location to access those exclusive, they will be actually losing out on business. So, the strategic sales plan of particular this company should also consider online shopping as well so, as to reach out to the customers which are remotely located.

And coming to the last how the fourth P that is promotion connects to the strategic plan strategic sales plan the right promotional strategies can help you bring all the 4 Ps together. So, this is the this is the P that brings all the 4 Ps together and whether you are leveraging social media online ads or any other means of communication channel its important to consider how you are communicating your offerings to your audience.

That is how because even when sales team will come into a relationship with a particular customer, they know what exact communication a customer has already received through all the channels of marketing communications involved or employed by a particular company. So, yes so, here we can know that there are marketing principles like 7 Ps.

I am not talking about the 3 Ps because they are mostly connected with kind of services sector which includes like restaurants, airline, banking etcetera, but they also do in a way define or you know kind of affect craft your strategic sales plan as well. So, yes so, with that we have already achieved our second objective to learn more about marketing principles and how they affect or influence the process of crafting strategic sales plan.