

Data Analytics: Sales Deployment around Organic Growth

By Anna Marie Cwieka

You've been given an impossible growth target. You don't have all the resources you'd like. How can you build upon and leverage what you do have?

One of our clients sensed he needed to focus on growing existing customers rather than dilute resources in new market expansion. Critical Path Strategies' data analysis gave him the segment ammunition he needed to effectively deploy his organization, as well as the foundation for his marketing messaging and specific client strategies. Here's how.

Segmentation Analysis

- Get a big picture understanding of where your existing customers stand in terms of your offerings
- Identify the obvious misfits
- Prioritize those to move to higher-value quadrants and develop individual strategies
- Understand the common characteristics (*their* marketplace drivers) of each quadrant to drive messaging and deployment

Look at the big picture

The bigger "aha's" come from stepping back and looking at the larger story.

1. First, up level your data. It is not uncommon to see hundreds of columns in our data analytics sets. You don't want or need detail at this point. Strip it out. Get down to a handful of key, global elements.
2. Next, combine them into one global account entry. When a client has separate legal entities or D&B numbers, these usually get listed separately in CRM systems. For your purposes, you want to combine them.

Keep it simple

Ideally, use two to three size metrics. The first two are usually revenue-related. You'll also want a metric that tells you share of wallet, one that indicates your depth and breadth of market penetration into an individual customer organization. Absent market share numbers by customer, you could use indicators such as number of product offerings, number of business units where you are represented, or number of individual transactions.

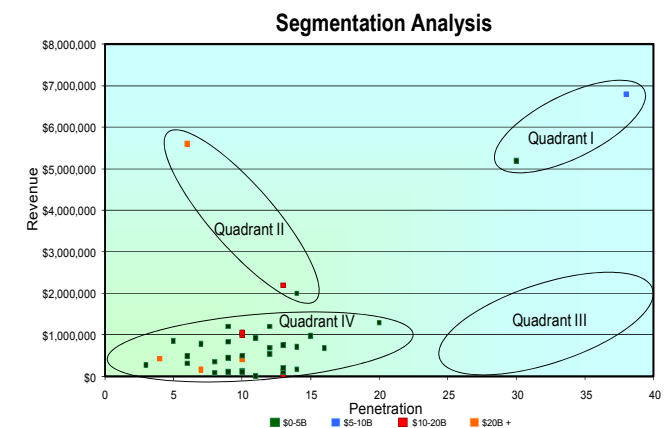
From here, let your data tell you the natural groupings (and as you see in this example, it might not fit into a traditional Boston Box). There are usually a group of outliers on the top right, a cluster lower down on the left side, and then a big clump on the bottom left. Refer to your spreadsheet to identify who the key players are at the top.

Hide and seek

Next, study what doesn't belong in each segment. This becomes your third metric. We typically use customer revenue figures. Look for large customers who are on the far left or bottom portion of your segmentation (and you typically find several hiding in the cluster at the bottom left). They become your low-hanging fruit and an obvious first place to begin looking at how to move them up and to the right. How can you leverage your existing position to broaden your offerings, earn the right to call above procurement, and have more strategic conversations?

But sometimes opportunity isn't always around size. We sometimes see segmentations where Quadrant I contains smaller companies. This is often the case in an industry that is growing quickly or is in the midst of a lot of disruption. These are often situations where you've gotten in early and gotten embedded at an enterprise level and grown with the company.

Always take a closer look at the cluster that is Quadrant IV. This is usually a gold mine of opportunity to develop strategies to move the various companies that shouldn't be stuck here. What remains is usually an opportunity for a more automated, lower cost-of-sale approach that will be far more effective for this client set.



Segmentation analysis

Now that we've identified who we want to move out of the various quadrants because they might not fit, let's go back and analyze the market segments individually.

Customer value alignment

It is important to analyze your market segments from the *customer's perspective*. We utilize the CPS Customer Value Alignment (CVA) thought process to understand the characteristics of each of these segments. Take a sampling of companies in a segment (exclude the ones that obviously don't fit) and, using public domain information (usually from their website, presentations to analysts, etc.), populate the top half of the CVA. Put all those together and look for the common characteristics of the players in that segment. You end up with a CVA that is segment-specific, not individual customer-specific.

Typical characteristics

Here are some examples of what you'll find. The top-right quadrant is usually your best-in-class industry leaders. They are often focused on market domination and/or changing the game. Your top-left segment is usually trying to become like the big boys. They often use technology or acquisitions to get there. The bottom-left is usually a combination of companies filling niche market needs, trying to survive, look legitimate, etc. They are looking at optimization efforts to streamline and become more efficient and/or cost effective. What is going on with a customer that doesn't buy a lot from you but you have significant market penetration? Unless there is an obvious longer-term positioning play, consider moving up or moving out.

What you sell, how you sell, and what resources you dedicate will be different for each of these quadrants. For example, you might want a Global Account Manager supported by recognized industry thought leaders for Quadrant I. Inside sales or electronic self-serve platforms might be appropriate for Quadrant IV.

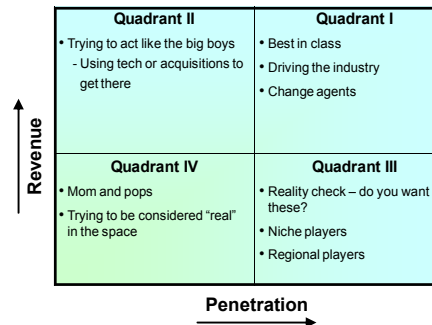
Quadrant Observations

Now combine the top-level summary analysis of each of those quadrants, along with the financial analysis of what they represent for you. In this example, we have two clients that equate over a quarter of our revenue (that makes me very nervous as a sales executive). Do the same for each of the four quadrants.

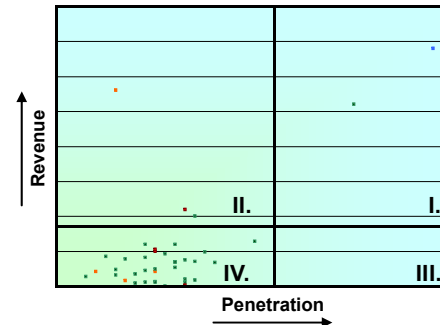
CPS Customer Value Alignment

Customer [Quadrant 1 Customers]	
Customer Key Initiatives and Business Drivers	Customer Competitive Differentiators
1) These guys make the rules and set the bar	1) Deep pockets
2) Superior internal controls – process, pricing, delivery, etc.	2) Ability to leverage off of sophisticated platforms
3) Only as good as their agent and brokerage network	3) Size and global reach
4) Need to stay focused on customer and not get lost in their sheer size	4)
5)	5)
6)	6)
Our Key Strengths, Core Competencies, or Top Capabilities	Responsible Customer Executive
1)	A)
2)	B)
3)	C)
4)	D)
5)	E)
6)	F)

Typical Characteristics



Observations - Quadrant 1



- Observations – Quadrant 1
- Common client Key Business Drivers
 - Strong shareholder returns
 - Disciplined growth
 - Ability to address opportunities
 - Key contacts
 - Line-of-business executives
 - IT executives
 - Change agents
 - Business visionaries
 - Impact on my current business
 - 27% of revenue
 - 5% of customer base

Revenue impact scenarios

Here we just do a simple “what if.” What are the financial impacts of “moving” customers up your quadrants? The targets here are conservative—you aren’t going to get them all. But if you could get some, what would the organic growth opportunity estimate? This also helps frame the financial justification if additional resources or training is required.

Sales deployment implications

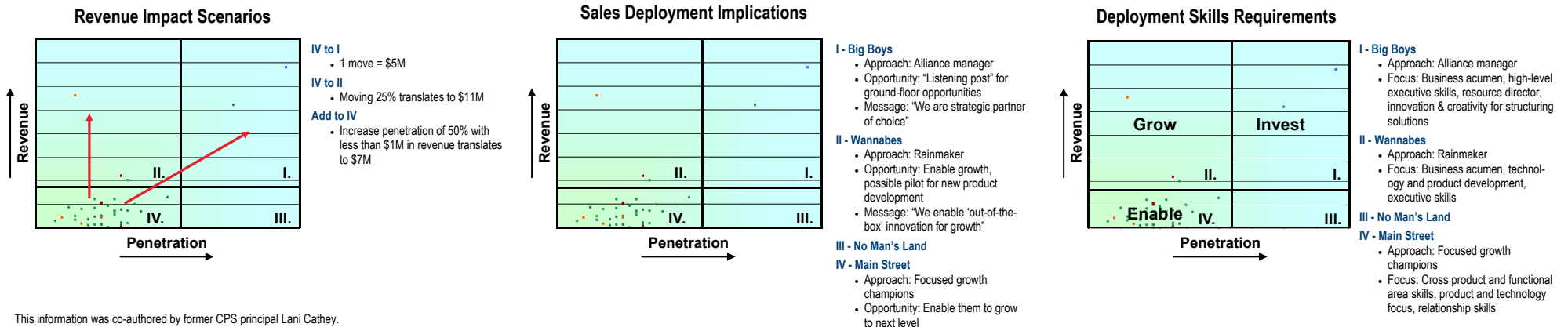
With these insights, you can address sales deployment strategy and the financial ramifications if done correctly (as well as justification if you are going to need additional or higher-level resources). At this point, we like to help the client complete the bottom half of the CVA specific to this segment. This gives you the foundation for marketing approach and messaging. You have the initial foundation of developing a sales strategy specific to the needs of this segment.

It’s another opportunity to build your sales deployment around customer context vs. the features of your specific product or service set. And equipping your sales teams to have those conversations is the fastest way to move above those mid-level procurement / contracting roadblocks where you get stuck negotiating price.

Remember the example of the smaller company that was in the big boy segment? This was an example of our client getting in on the ground level and helping catapult them into market leadership. The strategy application was to ensure there were resources focused on monitoring the marketplace for these players.

Deployment skills requirements

And finally, this is how we translate the deployment strategy into specific skill requirements. Effective expertise deployment—the approach and skills focus needed—will help you capitalize on your new-found customer intelligence.



This information was co-authored by former CPS principal Lani Cathey.

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