

## *Data Analytics: Sales Deployment around New Growth*

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In two previous articles, we took a look at how to use simple data analytics in conjunction with CPS tools to increase the effectiveness of sales deployment strategies. One article focused on using straightforward sales pipeline analysis to improve sales effectiveness and the other highlighted its use in growing existing customers (organic growth). In this article, we'll examine how data analytics can point you in the right direction to find new customers. To illustrate our approach, we're using a high-end outdoor event management company as our example. Their traditional client base had fallen off due to the economic downturn and they needed to find new markets and clients.

Maybe the downturn has resulted in a deep drop off in *your* traditional customer base. Or maybe you need a defensive strategy to protect you from ongoing cyclical industry segments. How do you go about finding new customers without resorting to “drive-by” selling? We'll show you how. And best of all, the knowledge to do this already resides in your organization.

The first step is to really understand the characteristics or attributes that were in play with your existing customers. Another way to look at it is: What were the common characteristics of the drivers of their business model(s)? Then figure out who else has those same needs.

The biggest mistake we see at this point is to start by building off your product or service feature set—what you “sell.” This approach results in too narrow a view of opportunity.

Instead, get out of your head and into your legacy customer's. It's about their needs and how they conduct their business. Here are some of the more traditional examples:

- Their industry drivers
  - Economic cycles
  - Global migration
  - Regulatory environment
  - Consolidation / M&A activity
- They require a certain level of quality / expertise
  - Because of their industry (e.g., safety), regulatory (e.g., medical), or customer requirements (e.g., defense)
  - Because if there is a problem, it could cost them their job
- They have a specific type of culture
  - Demographics (are they primarily Boomers or Gen X?)
  - Propensity to partner / outsource
  - Level of “touch” required (often margin driven)
- Their level of complexity
  - Direct vs. channels
  - Maturity of their supply chain
  - Impact of technology / disruption (risk AND opportunity)

## Build the Opportunity Matrix.

Armed with this information, you can now begin to build your Opportunity Matrix.<sup>(1)</sup> Plot these attributes across the top and then right below, rank them in terms of relative importance (we used a scale of 1-100 but it can be whatever you deem appropriate). Now step back and brainstorm what other markets (high level) might have those same needs. Rank those compared to each other across your matrix (we used a scale of 1-10 – it can be additive or not). Tabulate and see which offer the best fit.

In our example, the client's previous client base had been a mix of those who relied on high-touch client relationships and those that offered high-end sales incentive events. They had primarily been in one niche so they wanted to expand their view of those two markets. Then they brainstormed what other markets might share the same characteristics and they added traditional event business and a luxury segment. (Note the client added an attribute that had a negative ranking. Some companies have policies that prohibit them from taking gifts or participating in vendor events.)

Now we just build out the matrix. In our example, looking at the first column of being able to afford the time for a 2- to 3-day event, how do these four segments rank against each other? Repeat this process across the matrix, multiply by your rankings above, and you end up with totals that give you a ranking. Looking at this example, the Luxury market ranks first. This is a market our customer knew quite a bit about, but had never pursued it as a separate segment.

**Opportunity Matrix**

SUCCESS FACTORS	Invest in the time	Have budget	Require high quality	Quantity of events / year	Interest in outdoor events	Client collegial culture	Multi-day events acceptable	High touch	Potential conflict of interest concerns	Total
	10	16	10	12	12	15	15	15	-5	100
RANKING (1-100)	10	16	10	12	12	15	15	15	-5	100
<i>Scale 1-10</i>	<i>Ranked against each other</i>									
Relationship	4	7	8	6	5	7	10	10	5	744
Incentive Programs	5	6	7	10	4	6	7	8	2	689
Traditional Event	3	5	4	8	5	6	8	8	4	616
Luxury	7	8	10	4	6	8	5	10	0	763

<sup>(1)</sup> This is a simplified Kepner Tregoe, or KT analysis, used to develop a multivariate numerical ranking system.

## Drill down.

Now it's just a function of continuing to add layers. For our purposes, we'll follow Incentive Programs. You'll note for this segment, we fine-tuned the attributes at the top.

As you drill down, each layer is likely to have a slightly different set of attributes of what they need. Brainstorm sub-segments that fit. Again, most of the knowledge is probably in the room, but you may have to do a bit of on-line digging as well (industry associations, trade publications, and company websites). Your next drill down level would be at the company level. Again, you would want to fine-tune your attributes (and probably add some for ease of access / introductions and something related to competitive landscape).

You will end up with a prioritized short list of specific companies in specific industries. Based on the research you have done to get to this point, you will likely have enough background to develop a draft strategic-level customer value alignment and a value proposition at both the industry and individual client levels.

The final step at this juncture is to validate your data. Use your network, industry associations, and editors at key trade publications and direct client contacts if you have them.

Incentive Programs

ATTRIBUTES	Incentive Programs							Total
	Lots of sales people / contests	Multiple channel sales model	History of investing in multi-day events	Older male / sports orientation	Culture of "taking care" of most important salespeople or clients	Recognition important for ongoing success		
RANKING (1-100)	20	10	20	10	20	20	100	
<b>Scale 1-10</b>								
Pharmaceutical	8	7	5	4	7	7	650	
Financial Services	6	6	7	5	6	8	650	
Distribution Industries								
Beverages / Spirits	7	4	8	6	8	8	720	
Electronics	5	6	6	4	7	6	580	
Manufacturing	8	4	5	6	7	5	600	
Technology	6	8	4	3	5	5	510	

While this process yields overall priority areas, you will have exceptions that you'll want to make sure you capture. In this example, the Technology sector scored low. But within this segment, the client had potential connections into a specific company and knew exactly whom to call on.

You will also find opportunities to connect segments. With our case study client, market research identified potential opportunities to connect a specific company in the Luxury business to a specific company with high-end incentive programs. You can then insert your company as the intermediary to create new "blue ocean" market space.

## Build your marketing and deployment strategy.

### Steps for New Growth

1. Define legacy customer common characteristics.
2. What other markets have those same needs? Prioritize.
3. What are the characteristics within the priority segments? What industries have those characteristics? Prioritize.
4. What are the characteristics within the priority industries? Prioritize.
5. Who are the major companies within these industry segments? Prioritize.
6. Populate Strategic Value Alignment content at segment and/or industry and individual company levels.
7. Develop your unique value proposition(s).
8. At the company level, map the function that would want to understand (“have the listening”) your capabilities. Map options for approaching.
9. Develop your marketing strategy.
10. When ready, sales team, focused on priority targets, conducts “warm” calls at defined level with contextual solutions.

What you *don't want to do* at this point is run a laundry list of companies through your CRM database for a contact name and begin dialing for dollars. Prioritize your list. Take the knowledge you've gained so far and strategize your value alignment in the context of segment groups and specific target customers. Again, this is where CPS tools will save you a lot of time. Value alignment, value proposition, and organization mapping work at the market segment as well as individual company level. Catalogue this for use by marketing, sales, and deployment teams. Determine the marketing and sales resources required and your deployment approach.

After your marketing efforts have created awareness and relevance, your sales team is now in a position to begin “warm” calls to the appropriate functions / levels focused on contextual solutions.

Finding new growth opportunities needn't be a rifle shot approach. Build on your existing success by analyzing adjacent or new markets that have the same characteristics. Target those with the greatest fit. Develop your Strategic Value Alignment at both the segment and specific company levels to build a focused, contextual marketing and sales deployment strategy.

Prioritized List	Value Alignment	Marketing Roadmap
<p><b>Tier 1:</b> Quick hits</p> <ul style="list-style-type: none"> <li>• Big and/or urgent</li> <li>• Obvious linkage</li> <li>• Have an intro</li> </ul>		Key messages
<p><b>Tier 2:</b> Near-term but real</p>		Initial entry contacts
<p><b>Tier 3:</b> Longer term but big and/or strategic</p>		Positioning “touches”

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

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