

Infrastructure or sales - where's the priority?

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"We have some financial choices to make. There's an opportunity to take over some space next door, but we also have other priorities, like growing sales and making sure everyone is producing as much as possible. Any suggestions on how to decide what we can afford and in what order to do things?"

Opportunities to acquire resources compete with the need to fund growth. Passing on an opportunity to snap up resources may feel like a major loss. And yet there's the nagging concern that there's not enough incoming revenue.

The No. 1 priority for every business owner is to build sales. Bring in more revenue. Make sure it's profitable revenue. Build up the right kinds of sales and you'll have more than enough money to go around.

Devise a sales strategy

Craft a sales plan by answering the following questions:

- What drives the best profit?
- How many sales are needed?
- Who needs to be involved in sales, what are their duties and how can their effectiveness in sales be improved?
- Which clients are the most likely to pave the way to the company's future?

When it comes to managing the business, avoid three major mistakes:

- Believing that another opportunity won't come along.
- Avoiding sales because it's not part of the owner's comfort zone.
- Taking potshots to drive growth.

Entrepreneurs are in business because they love what they do. Small-business owners tie up funds that could help them to build the business, pursuing a strategy of, "If you build it, they will come." In fact, what gets increasing volume of clients to come in the door are strong, properly focused growth programs.

Opportunities to build up infrastructure are often distractions, rather than fulfillment of a dream or a plan. In reality, opportunity follows opportunity. Without predictable growth, the business will struggle to take advantage of the opportunities that come its way.

Many small-business owners are uncomfortable when faced with the need to build up sales beyond a certain point. They're not sure how to do it. They may not have the right personnel and tools to get where they want to go. They have no reliable way to forecast. They can't relate activities to outcomes. Lack of skill and ability causes owners to hesitate to focus on driving sales forward.

Build a marketing plan

Sometimes owners will take a knee-jerk reaction when thinking about needing more sales: Get some marketing efforts under way so that more opportunities come in the door. Prior to designing specific marketing programs, the owner needs to be clear about:

- What services or products does the company most want to promote, based on profit, ease of delivery and future direction of the business and the marketplace?
- How well prepared is current staff to support marketing efforts?
- What combination of marketing efforts is most likely to achieve maximum visibility for the company within its desired target market?
- What quantity of leads, over what period of time, need to be produced in order to have the company achieve its growth goals?

A well-rounded, productive marketing plan can only be built once the company understands the fundamentals of where it is currently, and where it wants to go over time.

Finally, it is worth noting that many owners can stretch operations and infrastructure much further than they do. Most small businesses are more than competent at what they do. Because the owner is an expert at what he or she does, increasing capacity will come more easily than the owner thinks. Back to priority No. 1: Figure out how to drive sales.

Looking for a good book? Try “Winning the Professional Services Sales: Unconventional Strategies to Reach More Clients, Land More Profitable Work, and Maintain Your Sanity,” by Michael W. McLaughlin.

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