

# CEO Tool: What Causes Sales How to Grow Far Faster than Competitors – Consistently!

## Tired of the *New Normal*?

What if you could grow your business much faster and more consistently than you ever did, using a simple technique called “what causes sales?” This worked in pre-recession times and still works in our new, economically-challenging world.

Growth is limited for all companies by not knowing *how to grow* to beat out competitors and by *cash availability*. Both are manageable. Cash is more difficult nowadays due to bank problems, but *cash* can be had and managed. The biggest block to growth has been that very few managers know *what causes sales* in their businesses – yet those few that do know – command their destiny and success on an ongoing, long-term basis.

A few examples: we grew Snapper, the lawnmower manufacturer in the 1992 recession by 50% over the prior year using “*what causes sales*.” Crazy, but rain, yes *rain*, is what causes sales in the lawn and garden industry. When the rain falls, grass grows and people go buy lawnmowers to control their grass. To grow Snapper so successfully from \$165 to \$248 million in that year, we simply tripled-up our newspaper and radio advertising in those local parts of the country where it rained first, while our industry blanket-advertised everywhere on a spread-out basis, everywhere the same. We spent the same amount on advertising, but we “caught” the market in each geography, just when it was emerging (as opposed to “industry practice” of advertising the same everywhere throughout the full spring and summer). This brought consumers to the retail stores we had pre-coached to sell Snapper over all other brands. And, the result was outgrowing all competitors by 50%, easily!

At Graphic Arts Center, which is fine-color commercial printing, “*what causes sales*” is *technically-qualified salespeople*, who work out the customers’ printing needs in detail. So we simply added more such salespeople than competition and literally took away their market share (growing from \$60 to \$120 million sales in four years, while the industry grew at a measly 4% each year).

So, *what causes sales* in your business? When you figure it out, you’ll be able to outgrow your competition the same as we did at Snapper and Graphic Arts Center. Here’s how to nail *what causes sales* (WCS) for you:

Get your team together and brainstorm what really drives or causes sales in your business. Begin where your order is booked, and then move back up the chain-of-events that runs from lead inception to booking. Find the step that you can manage closest to where you get the lead (like number of salespeople or matching your advertising to rain) and make sure it is a step that you can measure and manage *reliably* and *consistently*.

WCS is different in almost every business, but you and your senior management team can figure out what it is. Once you do, you can move toward controlling your sales growth and your profit destiny for a long time! Test your initial ideas of WCS, and then go with the one that leads all the rest.

## What Might Cause Sales in Your Business

Here are some of the things that cause sales in various businesses. In some cases below, it’s how you get the measure to happen. Pick the *one* that creates the most impact in your business and then manage it *aggressively!* *One* thing, *not* every marketing trick in the book. Start with the following list to brainstorm with your management team what really works for you...figure out what causes the order to be taken, and then go manage those causes:

Many Businesses:                      # of Sales Feet on the Street measured over time (Monthly)  
    # and \$ of RFP’s (Requests for Proposal) in the Door per Month  
    # of Telemarketing Calls or Email Hits per Week  
    # of Qualified Leads per Week                      # of New Customers per Month

Manufacturing Companies: # of New Distributors or Dealers per Month  
    # of Net New Salespeople added per Month  
    # of New Products Introduced per Month

Retailers:                                      # of Transactions per Day or Week                      \$ per Transaction per Day or Week  
    # and Quality of P-O-S Encounters                      # of New Customers per Month

Repetitive Sellers:	% New to Existing Customers per Month	% Repeat Customers per Month
Construction Companies:	# of Legitimate Change Orders per Month	# and \$ of RFP's in the Door (and out) per Week or Month
Retailers:	# and Frequency of Direct Mail Drops per Month	\$ of Retail Advertising per Month (of the kind that works)
	# of Referrals per Week or Month (know how to measure this)	
Distribution Companies:	# of New Customers per Month and what causes this in your case!	% Repeat Customers per Month and what causes this in your case!
Printing Companies:	# of Salespeople (technical consultant/salesperson)	
Financial Services:	# of Referral "Asks" per Week	
Restaurants:	New business: referrals or national TV/Radio advertising.	Repeat customers: hostess/host demeanor, wait-staff & daily chef performance.
Some Other Businesses:	# of direct mailings or # of ads or # of tradeshow or # of internet hits.	Special note: we have found that many b2b customers prefer to place orders on their own schedule and don't want to be "interrupted" by salespeople; leaders in these segments find that using internet ordering captures huge amounts of market share over salesforce approaches. The web, and customers' reaction to its convenience, are changing how we sell!

Please note: it's usually *not* a combination of some or all these, nor is it a handful, it's usually *one* of these! Yes, there are always four or five things that influence or lead to sales, or help the customer buy from you, but Pareto's Principle applies here as everywhere (the 80/20 rule) – only one of the five is the real driver behind your getting orders.

If you sell through different channels, like direct and via the internet, then indeed you will almost certainly have a separate WCS in each channel. This will be similar for divisions doing different things, of course.

Again, brainstorm, identify one-two possibilities, then test those ones you've chosen. Once proven, go with the number one Cause of Sales in your business.

### **Differentiate = Create a Competitive Advantage**

Here's a thought: try something different from your industry to differentiate your company (i.e., create a competitive advantage by doing it in a new or different way). For example, one company we know uses the *internet* to do all of its selling and actuating with customers since that's how the *customers want to do it*. They are taking market share away from competitors who are still using field sales forces! Think about it: they are outgrowing competition by using lower selling costs. Maybe you could do the same thing!

### **Grow Consistently**

An additional important concept: identify a "right" percentage growth rate that won't run you out of cash, and then grow by that exact rate by applying WCS consistently during each year to grow at that ongoing "right" rate of growth. Much more on this is in Kraig Kramers' book, "*CEO Tools...for Every Manager's Success*."

### **Other Limits on Growth (People, Technology, Market Size)**

There are other limitations on growing, such as availability of talented people, technological shortcomings, and size of market. But usually, these are rare and are also workable (again, see Kraig's book for ideas, such as breaking through "invisible ceilings" – a growth-limiter based on organizational structure).

Please drive "what causes sales" aggressively to create prodigious profits in your business!