

Entrepreneurship

Lecture 11a

Sales



Why Learn Sales?

- ABS
 - A – Always
 - B – be
 - S – Selling
- Sales = revenues = business
- Hiring sales people
- Involved in selling/closing deals
- Internal and external selling
 - Customers
 - Employees
 - VCs and investors
 - Board of directors

Misconceptions



- IMPLEMENT strategy
- “Sleazy”
- All relationships
- Too much money
- Art

Distribution Channels

- Direct
- OEM
- Resellers & VARs
- Manufacturers reps
- Distributors (2 tier)
- Internet (B2B & B2C)
- Catalog
- Telemarketing/telesales
- Stores

Channel Comparison

<u>Sales Channel</u>	<u>Customer Contact</u>	<u>Sales Cost</u>	<u>Mkt Cost</u>	<u>Inventory Risk</u>	<u>Profit</u>	<u>Customer Reach</u>
1. Direct	Hi	Hi	Hi	Hi	Hi	Low
2. OEM	Med/Low	Med	Med	Med	Low	Med
3. Resell-VAR	Low	Low	Med	Med	Med	Med
4. Manuf. reps	Low	Low	Hi	Hi	Hi	Med/Hi
5. Internet	Med	Med	Hi	Hi	Hi	Hi
6. Catalog	Med	Med	Hi	Hi	Hi	Hi
7. Telesales	Med	Med	Med	Hi	Hi	Hi
8. In-store	Low	Low	Hi	Low	Low	Hi
9. Distributors	Low	Low	Hi	Low	Low	Hi

Sales Basics

Truths



- Window to customer
- Difficult strategy
- Science (and art)

1/2 convincing, 1/2 getting the order



Steps

1. Qualification
2. ID Decision Makers
3. ID Barriers
4. Competitive Analysis



Steps

5. Sales Presentation
6. Demos
7. Proposal & Quote
8. Biz Case



Steps

9. Decision

10. Post-Sale Analysis



Sales Commission Plans

- Base Salary
- Draw
- Rates
- Quotas

