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Is a lack of sales really your problem?

When things in business are not going well – sales are falling short of budget, customers are not walking through the door and bills are piling up, it can be easy to fall into the trap of throwing more money and resources at your marketing in the hope that this will remedy the problem!

You know the scenario – up your advertising spend, design a new brochure, allocate more to Search Engine Optimisation, try Google AdWords or run a sale offering discounts and cross your fingers hoping things will turn around!

But what if your problem is not actually related to your marketing, and that the lack of sales is simply a symptom of something else that is not working, as it should, in your business?

If this is the case throwing money at the problem, may do nothing more than empty your Bank Account and obliterate your bottom line!

Why spending more on marketing may not be the solution

When faced with lagging sales often the immediate focus shifts to “how do we get more customers through the door or to pick up the phone?”

However some better questions to ask may be:

- Why aren't our existing customers repurchasing?
- Where are we failing to exceed their expectations?
- What is it about their experience in dealing with us that stops them referring others?
- What is memorable when customers engage with our business?

Some examples of things that may be contributing to a lack of sales:

- A poor customer experience – whether this be via phone, your website, when using your product or service or even person-to-person interactions. Even the best

marketing will not produce results if you deliver a poor customer experience at critical touch points!

- Lack of adequate post sales support to ensure the customer knows how to get the most out of your product or service. Where the product experience exceeds customer expectations you have a potential raving fan – but so few businesses bother to invest sufficiently in this area.
- Lack of a clear and compelling customer purchasing benefit – if there is no compelling purchasing benefit – why would I buy or refer others?
- No clear point of difference – lack of differentiation. If you are continually being challenged on price it is a sign the customer sees you as little different to your competition!
- Poorly trained or motivated staff – well-trained staff stand out and are walking billboards for your business.
- Front line personnel having insufficient authority to immediately satisfy customer needs
- The business processes are internally, rather than customer focused – if your customers or staff are complaining about processes – listen!
- Customer service promises not being fulfilled
- Poor logistic management
- The wrong people in particular roles
- Job responsibilities lack a customer focus and/or are not clearly defined
- Lack of processes to ensure existing customers feel truly valued
- No follow post sale to ensure customer satisfaction and/or they know how to get the most out of your product or service
- Lack of a structured sales review process
- Cash tied up in slow moving stock – impacting to invest in what customers really want
- Poor debtor collection processes starving the business of the cash needed to support sales.
- Limited or no access to timely management information to track performance and/or on which to base decisions
- Etc.

The reality is to get to the root cause of the problem you need to systematically consider all elements that may be contributing to the situation – only then are in a position to make an informed decision as to the best course of action to resolve the problem!

So how do you go about it?

Step I – Define the Problem

While this may seem obvious, actually taking the time to clearly define the problem is actually the most important step in terms of finding a solution.

It is important to write the problem down and to be as specific as possible.

Asking others in the business to do likewise can also be quite revealing – as their perception of the “problem” may be quite different depending on the roles they perform in the business.

Step 2 – Outline the impact

The next step is to define the impact the problem is having on the business.

Again, this step is important if for no other reason that to ensure that the “problem” is in fact real and having a *significant* enough impact on the business to justify allocating scarce time and resources to its rectification.

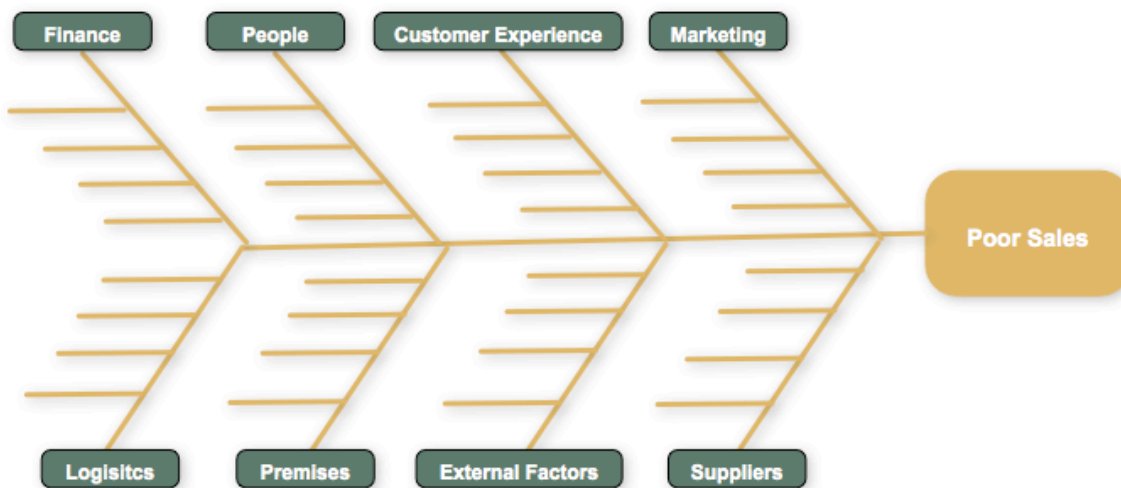
As you work through this process it can also be helpful to ask – “Where is the evidence?”

Step 3 – What is contributing to - or influencing the problem?

Having defined the problem and outlined its impact, the next part of the process is to consider all the elements that may be contributing to the problem and/or need to be part of the solution.

The next step is to then consider all the elements (and their sub-elements) that may be contributing to the problem.

A helpful approach to tease this information out is use a Fishbone Diagram like the one below:



Step 4 – Brainstorm Solutions:

When all the contributing elements have been identified then:

- Prioritise in terms of their impact on the problem

- Give priority to those that have the greatest impact from the customer perspective
- Brainstorm solutions
- Create Action Plans, set deadlines and allocate responsibility for implementation

Step 5 – Seek outside support

Often at this point it can be helpful to get someone external to the business to help you review what has been revealed and to provide objective feedback as to the proposed solutions.

This is where an experienced Mentor from the Small Business Mentoring Service can play a critical role.

When you consider the importance of getting it right, (and the cost of getting it wrong!), engaging a mentor for a cost of only \$80.00 per session is an investment worth making!

Summary

When next faced with a problem – before jumping into solution mode and/or throwing hard earned money at the problem – take a step back and use the approach outlined above to ensure you will be treating the underlying cause rather just a symptom.

Also never lose sight of the fact a quality product and good service are the customers right – a minimum expectation.

To benefit from repeat purchasing and word of mouth referrals you need to exceed customer expectations and provide a memorable customer experience.

Bruce Hall
Director