

## What Comes First, Sales or Marketing?

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You've launched your company, now what to do first, Sales or Marketing?

OK...You started a business and now aren't sure how to produce revenue. Do you worry about sales first then marketing or marketing first then sales? When do I start? How do I start? Which do I start first? Simple questions yet no simple answers. Don't be confused by all the jargon out there! There are many different strategies and opinions but, every company is different therefore, your plan to roll out sales and marketing is going to be unique to your company. There is no room for a one method fits all mentality. Both are necessities to the success of a small business. You cannot do without either process today. If you work to strategically combine both efforts in synergy you will experience successful business growth. However, by the same token if the efforts are unbalanced or departments don't communicate it can severely hamper your business growth.

If we break it down to the basics, marketing is everything that you do to reach your buyer or prospect to initiate interest. Sales is the process by which you close the sale and get a signed agreement or contract.

Your marketing should consist of strategies that allow you to measure your reach and work to persuade your prospects that you're the company for them. It's the message that prepares the prospect for the sale. It could consist of advertising, public relations, social media, relationship marketing, brand marketing, viral marketing, and direct mail.

The sales process consists of interpersonal interaction. It's often done by one-on-one meetings, <u>cold calls</u>, and networking. It's anything that engages you with the prospect or customer on a personal level rather than at a distance. Most times the prospect or <u>potential customer</u> have been driven to you, the sales person, via marketing efforts.

So where do you start? First you must take a step back and look at your business's product or service to determine vital information. What you are selling, who are you selling to, and where are your ideal customers?



## Questions to ask:

- Is my product or service sold online? Is it sold over the phone?
- Is the product or service sold in person?
- Does it have to be explained or demonstrated or is it easily understood?
- Is it sold Locally? Nationwide? World Wide? Do we start local and expand sales the area at a later date?
- Who is the ideal customer? Where are they located? Do we concentrate on certain verticals?
- Can it be represented by channel partners?

You should go through this exercise with your company staff or advisors. I also suggest you find opinions outside your organization. Call some colleagues or go to local networking events. These opinions can be an eye opener with little or no bias toward things you may not have considered during your evaluation. Once you've gathered all the information, review it a few times to be sure there isn't anything missing. It's well worth taking extra time in this phase. Finding your sweet spot can be the best way to determine how you roll out your product or service successfully in the market. Now that you have a beginning strategy, the next thing you must consider is your budget. How much should you spend to promote your product? The answer will also play into where you start.

## Marketing

If your budget is limited, then you probably will get a bang for your buck by beginning with marketing. In this strategy, you will be bringing sales in once you have started to introduce your brand, generating warm leads.

Options for Marketing:

- Do it yourself.
- Do it yourself and automate some of the process.
- Automate the whole process.
- Outsource some or all of it to a <u>marketing agency</u>.
- Hire a marketing specialist in-house part time.
- Hire a marketing specialist in-house full time.

If you automate any of the marketing tasks, you can use services like Hubspot or Marketo. Hubspot is a great source for those who want to do inbound marketing or to drive traffic to your website. Marketo is a great source for companies that need lead management, email marketing, customer based marketing and mobile marketing. There is a lot of other good companies and great help so you don't have to go it alone.

You should give serious thought to what type of time commitments you have and how much money you can allocate when putting together your marketing strategy.

## **Sales**

First, identify what type of sales person will be the most successful. The two most common types of sales representatives are farmers or hunters. The hunters are responsible for new business development, while the farmers work on managing and growing the existing account base.

Next you should access who should manage your sales and sales people. As a new company you will probably be managing the sales person or even be the only sales person. Once you have an option to add additional sale help your options are: hire full time, part time. Two other different options are to hire 1099 (commission only) or outsource sales. There are benefits and drawbacks to all.



1099 commission sales representatives also called independent representatives are a good way to control cost because you only pay them a % of a sale when they are made. Independent sales representatives tend to be experienced and successful. They should need less management and direction. If you hire them, you will be less likely to need a sales manager, and they will probably take much less of your time than in-house representatives will. The disadvantages to this model is you have no control of an independent sales representative's day, where they go who they see and how hard they work. You can't make them work certain hours etc. By law you can't tell them how to manage their day. They will only push those products they feel have the best chance of selling and making them money. You should keep in mind that even if you have an established, long-term relationship with a representative, you must constantly "sell" him or her on the potential of both your existing and your new products.

Hiring a part time or a full-time sales representative means you pay them salary and commissions. You must have the time and processes to manage them effectively. This means reporting, training, incentivizing, goals and tracking progress with tools.

The last method is <u>outsourcing sales</u>. This option involves hiring an outsource company to be your sales department. They hire, fire, train and maintain your sales with little or no input from you. If you don't have any idea how to begin, this could be a good option. This will require you to pay a fee plus commissions.

Now you can start putting together your plan.

To conclude, marketing and sales should never be an afterthought. They will always be essential parts of any business and they should be used jointly to grow and produce revenue.

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