

SPECIAL EDITION

Best of Sales Performance Tips:
**Find Hidden Revenue by
Cross-Selling and Up-Selling**

MILLER
HEIMAN®
The Sales Performance Company

Find Hidden Revenue by Cross-Selling and Up-Selling

It can cost four times as much to sell to a new customer compared to an existing one. By taking advantage of existing relationships and ongoing contact with customers, companies can sell more products and services, reduce the cost of sales, enhance customer loyalty, and drive revenue.

In this issue are featured tips on Cross-selling and Up-selling. These articles define what cross-selling and up selling really mean; address the correct timing and key steps for successful cross-selling and up-selling; and discuss how these can help you bring dormant accounts back to life.

What is Cross-Selling & Up-Selling? If you are not effectively cross-selling and up-selling, you are leaving money on the table every time you close a sale. What's worse, your customer is leaving some of their ROI there as well.

Effective Cross-Selling: How to do it. This article focuses on helping you select the right customers who present the greatest need for a certain product or solution. This may be a new product added to your portfolio, but keep in mind it could also be an existing product. Certainly there are customers who are a good fit, but which customers present the greatest need for this particular solution?

How Can I Bring Dormant Accounts Back to Life? It's a common situation - you have completed a project or engagement but you see lots of potential to offer other services to the client. Sadly, you failed to leverage that first sale toward more business so the account became dormant.

What is Cross-Selling & Up-Selling?

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What is Cross-Selling & Up-Selling?

Let's start with how Miller Heiman defines cross-selling and up-selling.

Cross-selling (verb)

(1) Expanding the number and quality of relationships between key people in the buying organization and the selling organization,

(2) Making additional relevant solutions available to the buying organization (e.g., new products).

Up-selling (verb)

Converting an initial order into a more profitable order. Typically manifested by the customer's commitment to (1) additional units of the seller's solution or (2) a premium version of the seller's solution. This doesn't mean selling one's customers something they don't need; it does mean selling one's customers more of something that they do need.

Why don't these two selling activities happen more often? Fear. Fear caused by the misconception that "asking for more" raises the risk of losing the sale. To eliminate this fear, it is critical to leverage quality business information. By taking the time to gather in-depth information about customers and prospects, salespeople can gain a greater insight into their accounts, uncover new business opportunities, and avoid many of the fears that get in the way of performing cross-selling and up-selling activities.

3 Steps for Leveraging Information

1. Select the right targets
2. Understand the customer's business issues
3. Create a Valid Business Reason for your customer to take your call.

Each of these steps demands increasingly deeper understanding of the customer's key initiatives and the big issues that transcend all the potential buyers within the organization. That means taking the time to become informed on selected targets, their issues, and the business reasons that will motivate them to schedule a meeting or make a purchase.

Closing is Not the Time to Start

The worst time to start thinking about cross-selling and up-selling is at the end of the sales cycle. By that time, it's too late. By incorporating the steps above into your sales strategies, you will be continually looking for ways to get the most out of every sale, while giving your customers the greatest value in return as well.

Effective Cross Selling: Where to Begin

This article focuses on helping you select the right customers who present the greatest need for a certain product or solution. This may be a new product added to your portfolio, but keep in mind it could also be an existing product. Certainly there are customers who are a good fit, but which customers present the greatest need for this particular solution?

Step 1: Identify Cross-Sell Opportunities

Make a list of your top customers. Next to each customer, list the products or solutions they have purchased from you. What do you see? Most likely this exercise will uncover a large area of opportunity with certain customers who have purchased only one or two of your solutions.

Step 2: Develop the Key Characteristics of Your Target Customer

Once you have a product in mind that you want to cross sell, create a list of key characteristics of your target customer. Consider the following when creating your list:

- It's not who has a need, but who has the greatest need for this product
- It's not who will buy, but who will buy quickly
- Quick wins help reduce fear and add to your credibility as a salesperson
- Write down five characteristics of your target customer. Examples include company size, risk-taking culture, recent merger or acquisition, etc. One of these traits may outweigh all the others. So, if the customer doesn't present all five characteristics, but has one very important one, you may still want to pursue that customer.

Step 3: Compare and Select Key Customers to Pursue

Go back to the first list you made of your top customers. Which of these customers present characteristics of the target customer for your new solution? Which of these customers present the greatest need for your new product and are willing to buy quickly? These are the customers you should spend the time and effort with to build a strategy to cross-sell your product.

How Can I Bring Dormant Accounts Back to Life?

This is a common question we get from many of the engineering and professional services clients that we serve. They have completed a project or engagement and see lots of potential to offer other services to the client. But they don't know how to leverage that first sale to more business, the account becomes dormant, and they miss the opportunity.

The answer is cross-selling. Cross-selling is selling additional complimentary solutions, or expanding the initial engagement to other locations for the same client. Any firm could increase their revenues by 25% just by improving the management of their current clients in this manner. But some CEOs may tell you that cross-selling doesn't work.

Why? Perhaps there is a lack of understanding by the client of your full suite of product or services. Maybe your organization

lacks internal teamwork, or incentives for cross-selling, or the account manager fears losing control of the account. But, the biggest reason that cross selling doesn't work is the wrong mindset.

The key to cross selling is to forget about other products or services you hope to sell the client, and to concentrate on what you can contribute to their business and organizational issues.

In Miller Heiman's *Large Account Management Process*SM (*LAMP*[®]) program, a tool called the Gold Sheet provides account managers with a systematic process to address many of the issues that hinder cross-selling. Cross-selling requires account managers to focus on the customer and the trends, opportunities, needs, and issues that are important to them. Identifying the Fields-of-Play within the customer's organization let's you know where you can have the greatest impact. The Gold Sheet helps you articulate how you bring value and impact to your customer's business success, and how to leverage relationships with strategic players in the account. Successful cross selling brings together your team to develop strategy, goals, and action plans to leverage your strengths and eliminate your red flags, and it creates joint ownership of account success.

When you employ cross selling to unlock the creativity of your account teams and involve the customer in defining how they see you contributing to their business, you are bringing your dormant accounts back to life.

About Miller Heiman

Miller Heiman has been a thought leader and innovator in the sales arena for almost thirty years, helping clients worldwide win high-value complex deals, grow key accounts and build winning sales organizations.

The company is headquartered in Reno, Nevada and has offices around the world. More information can be obtained by visiting the company's website at: www.millerheiman.com.