

Salesm@xx Outline

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Asymmetrical information is referring to the case when one side of the market (seller or buyer) has information about the product that other side doesn't. This information can be used by the knowledgeable side in its advantage.

The lack of information in the other side increases its inability of distinguishing the quality of the product.

In setting the price policies, firms normally use the average cost of production and then they add a profit margin, yet this profit should not be rigid but varying with the market demand.

We are talking about a flexible profit.

Salesm@xx is a new cutting edge concept of managing your sales activities using the below VEST formula, proven methods of sales process, along with Sales Management Solution technology.

We introduce a new word VEST, which is abbreviated of a quite simple formula:

$$V = E \times S \times T$$

where the meaning shall be clearer if we use words instead of letters:

$$\mathbf{Volume(new\ sales) = Exposure \times SuccessRate \times TransactionRate}$$

The word 'VEST' itself has its own meaning, which is a bulletproof suite:

1. *vest n.* A sleeveless garment, often having buttons down the front, worn usually over a shirt or blouse and sometimes as part of a three-piece suit (cf. www.answers.com/topic/vest);
2. a waist-length garment worn for protective purposes: a bulletproof vest. (cf. dictionary.infoplease.com/vest);
3. *bulletproof vest.* Body Armor Protective covering and other equipment designed to guard individuals in combat. (cf. www.answers.com/topic/bulletproof-vest-2).

Basic Formula:

SV(sales volume) = NS(new sales) + CSB(current sales base);
New sales (NS) = $\sum e \times SR \times TV$.
Current Sales Base (CSB) = Customer life time value.

Salesmaxx formula : $SV = (\sum e \times SR \times TV) + CSB$.

Sales Volume.

Sales volume is the end result. It is not happening overnight. It's like growing rice in the rice field which needs time and effort. Based on our experience SV is a sum of success from several activities (variable) which for easiest way to remember I try to simplify to a Salesmaxx formula which mentioned above. Let's take a look one by one.

New Sales = $\sum e \times SR \times TV$.

New sales is the key driver to get the sales growth. Without the strong success of this activity the sales growth is going no where. In our perspective New Sales is a success from 3 group of activities (variable) :

$\sum e = \textit{Sigma of exposure.}$

This is the effort of exposing the product and service to the market. It's requiring quality & quantity marketing activities approach. Quality mean talking about the right market segmentation & targeting that fit with your product or vice versa. If you hit wrong target segment, then your effort is useless and you just burning the sales & marketing expense with low ROI. If you hit the right target segment with the right product than the chance of success is huge now it is depend on the other variable.

SR = Success Rate.

This is talking about sales process. Like any other process, sales also have a process from identifying the right prospect, approaching, showing the value of the product & service, negotiating the deal and closing the sales. In short it takes 4 steps but it depend the nature of the business it could takes 4, 5, 6 and more steps to close the sales. Salesmaxx will explain in depth about this process.

The success of each step in the sales process requires a selling skill and experience to be more effective and efficient on moving from one step to another. There is no born sales person. I believe everyone born with a sales talent , as an example baby selling the idea to get milk by crying, we dress up nicely, act nicely and talk nicely to attract our opposite sex , isn't that similar on how to attract our potential customer? The different is a successful sales person practicing and sharpening their talent. They are reading selling book, going into sales training and having the right attitude and passion on doing their job. Using Stephen Covey words of Habit, Sales is a Habit. The successful sales person having 3 elements of habit: Knowledge, Skill and Attitude. They know what to do (knowledge) , how to do it (skill) and want to do it (Attitude).

TV – Transaction Value.

The last variable on getting high new sales is depending on the average transaction value you gain. If you highly success on the other variable but very low TV than your sales volume is also low. High & low TV also depend on the nature of the business, if you are selling a natural drinking water in small packaging than it's so obvious that you need very high success on the Sigma of Exposure to get the high sales volume whilst if you are selling a premium property such as house or apartment than you may just need to get one closing per month to have millions new sales volume.

Current Sales Base.

It is depending on the nature of the business, CSB is play very important role when you are in the portfolio business. If your business not a portfolio than you can put zero result on the formula or just simply pass this chapter.

Portfolio business is the accumulation of a routine transaction volume. It is like a consumable product such as : Food & Beverage product, cleaning chemical, banking, executive club, etc. You expect your loyal customer to keep buying your product or services in timely basis (daily, weekly, monthly, etc). It is a retain sales or maintenance sales or a sales foundation to gain more new sales.

The question is how to keep them loyal while your competitor is like a hungry lion want to grab your customer every time everyday. They are proposing better offer, better product with cheaper price or better benefit. Fail on this activity will result low to zero growth of your sales volume regardless how success your new sales activities. But if you have a highly success on this activities, then every new sales will just topping up the base and your sales volume growth just go higher and higher. So yes, in portfolio business the CSB play a great vital to grow your sales portfolio. Salesmaxx will explain more detail on this.

Salesm@xx. Why using @ ??

In to day world, the hyper growth of computing technology, internet and mobilization lifestyle have been changing the way people work and life. In short I call it CIP technology (Computer, Internet, Phone / PDA). This CIP now is no longer a luxurious gadget but it is becoming more and more an important tools to do the job / business. How can you do your job or business without computer? How will you communicate with customer, friend, colleague without email, sms, or phone? Sending a brochure to potential customer by mail is very outdated to day, if you still doing it than try to see if your competitor already sending their brochures & proposal by email. It goes faster and right to the person yet cheaper. Furthermore, maybe they already inviting the customer to just simply clicking their web site and get more information in very nice graphic, illustration, animation, photo, etc, etc. Can you compare the perception impact with your brochure which probably will arrive 1 week later and still in the office mailbox while your potential customer still traveling for another week?

Salesm@xx is introducing the new cutting edge concept of managing your sales activities using the CIP technology. The Salesm@xx selling skill and knowledge will simplify your

learning process to be more effective on doing your sales activities while the CIP solution will leveraging your skill to maximizing the sales outcome. So in short Salesm@xx is a new mind set, a new skill set and a new tool set to have better manage and grow your sales volume. It is just a one shot comprehensive solution to be more effective on maximizing your sales outcome. Salesm@xx solution especially designed for a b2b type of business which requires one on one sales approach. If you are a salesman or managing b2b sales organization than you definitely need to consider using salesm@xx approach to maximizing your sales result.

Comment

If we talk of (Expected) sales volume rather than as an ‘exact formula’ then the SV term above shall be expressed as a probably outcome of a set of activities by sales forces along with tactical approach of advertising etc. It shall also include probable activities by the competitors, in other words, given the number of competitors raise, and then chance is the ‘expected sales volume’ will be decreasing.

Therefore, perhaps the actual Expected sales volume shall be written as follows:

Expected Sales Volume (ESV) : $ESV = (\sum e \times SR \times TV)/n + CSB$

where n represents the number of competitors. This is why, as the number of consumer/retail products grow, the producers shall go advertising with massive ads in television, otherwise their marketing efforts will be nothing compared to the number of competitors.

References:

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