

## 5 Ways to Significantly Increase Your Sales

### 1. All sales leads must be followed up

If you are spending money to generate sales leads, you damn well had better make sure that every lead is followed up; you must have a way to ensure this is being done. If you do not, you are simply wasting your money.

Let me give you just one example. I once attended a local business trade show that had about 50 businesses displaying their products and services. I went to every single booth to inquire about their services and gave them my business card and signed up for their mailing list.

Out of the 50, over the next month I heard from 9. Over 80% of these people wasted their time and money participating in this sales effort.

#### This is inexcusable.

Inexcusable but apparently very common. A study by the Center for Exhibit Industry Research showed that **a full 80 percent of trade show leads are never followed up.**

No that is not a typo. This study showed a full 80 percent of all trade show leads are never followed up. This is not only a disgrace, but a tremendous waste of time, effort, and money.

Let me give you another example. At one time I was contacting companies to solicit proposals and bids on a piece of equipment that would cost about \$100,000. Among those I contacted was the major manufacturer of this type of equipment. I left messages with the sales department 4 times over a 2-week time span without a single call back.

Furthermore, a study by Performark, Inc., found that a full 22% of all sales leads generated by inquiries, response cards, and bingo cards were never answered. A full 22%. Think of the money that is wasted. Effective follow up generates sales and justifies your expenditures of sales money.

If you do not have a plan to handle follow ups and a method to make sure they are being done, don't waste your time advertising or promoting. Just open up the window and throw the money out. At least this way you will only waste the money and not the time.

## **2. How quick do your salespeople give up?**

According to an article in the magazine "Sales and Marketing Management", 80% of all sales are made after the 5th sales contact.

Think about this. A full 80% of all sales are not realized until after you have contacted your prospect at least 5 times. The vast majority of salespeople give up long before the 5th sales contact. In fact, most give up after the 2nd or 3rd sales effort.

Those who push on and refuse to give up are the ones making the sale. Those who consider "no" a stepping stone on the path to "yes", are the ones making the sale. Those who consider indecision a positive step on the path to "yes" are the ones making the sales.

**Remember, persistence prevails when all else fails.**

## **3. Always look to improve your cross selling efforts to your existing customers.**

They are your best and least expensive source of increased business. They know you and trust you. You have already spent the time and money to make them customers. Cross sell them whenever the opportunity exists; you have a base to which you can sell more to with a significantly reduced cost and effort.

If you have 100 customers who each buy one thing from you and you can sell 50 of them one more thing you have just increased your items sold by 50%. Compare this to the time, effort, and cost of getting 50 new customers.

## **4. Are your salespeople asking for the order?**

Studies have found that nearly two thirds of all salespeople never ask for the order. You might think this is hard to believe but think about how many times a salesperson asked you for the order. This is another example of wasted time, money, and effort. Making a sales call in any type of business is an expensive proposition. If your salespeople are not doing all they can to close that sale, they are costing you money in the form of unproductive sales calls and lost sales.

## **5. Pay your salespeople based on commissions earned rather than a flat salary**

Salaried salespeople have a greatly reduced incentive. This is just a reflection of human nature. If earnings are not based on performance, then you are more likely to not get high performance in return. Simple common sense.

If a salesperson's earnings are based on performance (sales) they are much more likely to perform better (make more sales). **This is not brain surgery we are talking about here; this is just simple common sense.** Pay them for what they sell. Salary gives them little or no incentive and you take all the fiscal risk. If they are paid a salary and don't perform up to the level you expect or need to recover that salary, you are out the money you paid them.

For example, if you pay a sales rep \$600 a week or \$31,200 per year and they only make sales that return profits equal to \$15,000 - you are out \$16,200. Had you instead paid them based on actual sales you would have saved \$16,200. This does not even include all the added costs involved such as FUTA, workers' comp, etc.

As an alternative, you could give them a very low base salary (to provide weekly income) and then a commission override for all sales that exceed the base salary on an annual basis.

This edition of The Welch Report has been provided by Derrick Welch the author of '**In Pursuit of Profits: How to at Least Double your Profits Without Increasing Your Sales'. Including 1,000 Cost Control, Expense Reduction, and Income Producing Strategies You Can Start Using Today To Dramatically Increase Your Bottom Line.**

And '**Defy Mediocrity. Choose to be Uncommon. Think of the Alternative**'.

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