

Strategic Selling
Naturally Boulder Education Series
April 27, 2013



Agenda

- * **Developing a Strategic Sales Plan**
- * **Distribution**
- * **Selling Options**
- * **How To Get Going**



Strategic Selling

- ▶ **Start with a Strategic Plan**
 - Can be as simple as “starting in your backyard”
 - Put a plan in place that would replicate what you would do if you rolled out into multiple markets
 - Promotions
 - Demos
 - Obtain learning’s for future expansion
 - Regional Distribution
 - National Expansion



Strategic Sales Plan

▶ Identify Target Customers/Markets

- Layout 1 –3 – 5 year rollout plan
- Channel
 - Natural
 - Conventional
 - Specialty
 - Local Shops

▶ Go-To-Market Costs

- Promotional Merchandising
 - Trade Programs
 - Demos

▶ Sales Representation Options

- Handle directly
- Hire brokers



Strategic Sales Plan

▶ Your P&L

- Understand how you make money
- Gross Margins
- COGS – Cost of Goods
- Promotional Expenses
- Transportation Expenses
- Administrative Expenses



Sales Plan Example

▶ Year 1 Targets

- Rocky Mountains
- Identify go to market costs

▶ Year 2 Targets

- West Coast
- Southwest
- Opportunistic grocery retailers with strong natural food focus
- Identify go-to-market costs

▶ Year 3 Targets

- East Coast
- Midwest
- South
- Opportunistic grocery retailers with strong natural food focus
- Identify go-to-market costs



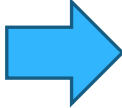

Colorado Retailers – The Backyard

Retailer	Location	Number of Stores
Whole Foods/Rocky Mountain	Boulder, CO	30
Vitamin Cottage	Lakewood, CO	64
Alfalfa's Market	Boulder, CO	1
Lucky's Market	Boulder, CO	1
Grand Total		96



Selling Channels

▶ Understand the distribution channel

- Your warehouse  customer's warehouse  retailer
- DSD – Direct Store Delivery
 - Product is delivered directly to the store
- Direct to Consumer
 - Internet Sales



Sales Representation

▶ Direct vs Broker

◦ Direct

- You handle all aspects of sales function
- Obtaining appointments
- Account Calls
- Paperwork
- Address all retail store issues
- No commissions or retainers to pay

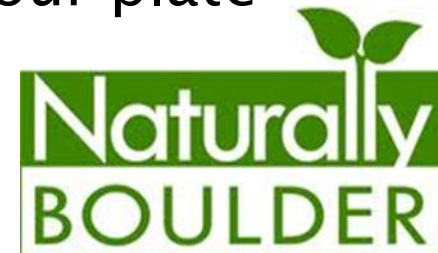
◦ Broker

- Handles sales calls for you
 - You should go on major calls with broker
- Obtains appointments
 - Knows category review schedule
- Assists with paperwork
- Retail coverage
- Works on a commission or retainer basis



Sales Management

- ▶ **Do you need a sales manager?**
 - Sales function is a complex, highly fluid process
 - Lots of coordination
 - As you expand regionally, selling becomes more complex
 - More customers = more calls to make = more paperwork
 - Need for management of multiple brokers
 - Sales manager takes all this “work” off your plate



How To Get Going

- ▶ **Differentiated Product**

- ▶ **Well thought out plan**

- Financial
- Marketing
- Sales
- Operations

- ▶ **Execution**

- Selling
- Shipping
- Retail



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