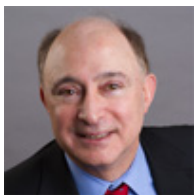




## Finding New Business and Developing Relevant Sales Capabilities



There are few alternatives to growth for most companies. It's the rare firm whose goal involves getting smaller and, for employees, there is a strong correlation between their company's growth rate, promotion opportunities, and job satisfaction.

**B**ut a growth strategy must be intentional, clarifying where the growth will come from and what it requires in terms of business development. A simple matrix, developed years ago by Igor Ansoff in his book *Corporate Strategy*, helps

to clarify generic growth options for most firms.

Ansoff's point was that growth scenarios generally involve selling the same products to current or new customer segments, or selling new products to current or new customers. My point is that the



Generic Options in Growing a Company		
	Products/Services	
	SAME	NEW
Markets/Customers	NEW	<b>EXPLORE: new business</b>
	SAME	<b>EXTEND: into new products</b>
	<b>EXPAND: into new markets</b>	<b>ENHANCE: the core</b>
Adapted from Igor Ansoff		

options have different implications for sales tasks and capabilities.

In the upper-left quadrant, a company expands into new markets or segments with the same products. An example is when SaaS firms focused on SMB customers seek enterprise accounts. The same software sold to SMB accounts on a product-performance and ROI basis must now be integrated into the Enterprise customer's IT systems and established protocols across functions. Business development means gaining access to decision makers and selling work-flow changes, not only a better product.

In the lower-left quadrant, growth involves enhancing the core by leveraging what you do in current markets with current products. Here, important tasks typically involve cross-selling, initiatives to increase repeat purchases, on-going account management skills, and training in price negotiations so that a "value-added bundle" is not just your sales force's euphemism for a discount.

In the upper-right quadrant, growth means selling new products to new customers. Capabilities include expertise in customer selection, coordination between sales and product managers for applications development, and disseminating learning about what does and doesn't work in new segments. Market research studies and focus groups help. But on-site

visits offer the ability to understand the new usage context at the customer, not at your lab, office, or website. Training should provide reps with these skills in customer discovery.

Finally, in the lower-right quadrant, growth means increasing share-of-spend at current customers with new products or add-on services. This approach often means the ability to leverage reps' existing account relationships in order to get positive access to buyers at other departments or functions of current accounts, team-selling initiatives, and perhaps a different compensation plan.

These are not mutually exclusive growth options, but each has different implications for sales tasks and behaviors. You cannot separate sales effectiveness from strategic choices and, when a company does not pay attention to these differences, the sales force is basically being told to "go forth and multiply" without the relevant training and skills. That's a random bet, not strategy implementation. ■

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