



The Ebner Ad Sales Advisor

$$ST \times A = R$$

A formula that accurately predicts ad sales success

Ad sales success has nothing to do with luck nor is it driven by the so called “born salesperson”. Sales success is a measurable and repeatable process and the outcome can be accurately predicted by the formula **ST x A = R**; where **S** represents **Strategy**; **T** stands for **Technique** or selling skills; **A** represents **Activity** and **R** equals **Results**.

As the **ST x A = R** formula shows, sales consists of 3 separate components and a weakness in even one of these components will result in poor sales performance. For example, even the best **S**trategy, supported by excellent **T**echnique will bring poor results unless accompanied by the right amount of **A**ctivity. Likewise, a highly skilled (**T**echnique), hardworking (**A**ctivity) account executive, will generate poor results unless the sales approach is **S**trategic. So here’s a short explanation of the 3 sales components and how to use them to ad drive sales and maximize profits.

1. Sales Activity

As the old proverb says, “*You can’t get there if you don’t know where you are going.*” so goal setting is absolutely essential to ad sales success. Your account executives must have a clear picture of where they are going and how they will get there; otherwise they’ll just be groping in the dark; hoping to bump into that big account.

Although we all understand the importance of goal setting most of us don’t know how to set them, because we incorrectly view goals as results, when in fact goals must be viewed as **A**ctivities. For example, all too often the goals we set sound something like this. “*I want my account executive to;*

- *increase sale by 30% this year,*”
- *increase sales by \$10,000 a month,*” or
- *to land 6 new clients each month.*”

These statements are *not* goals, but rather dreams, because although they tell us what we want to achieve they don’t tells us *how* we can achieve these results.

Goal setting means outlining the daily **A**ctivity **that generates the desired results**. For example, if your goal was to have your account executive increase sales by \$10,000 per month.

- And if your average new client spends \$2,500 per ad, than the account executive would need to land 4 new accounts each month.



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- If the salesperson had the ability to close 1 out of every 5 new prospects, he would need to meet 20 new prospects each month.
- And if it took him 10 cold calls to land 1 qualified appointment, he would need to make 200 new prospecting calls per month or about 10 calls a day.

Which means that the prospecting **A**ctivity in the **ST x A = R** formula that will allow you to realize this increase in revenue is; 10 new prospecting calls a day. Anything less and you will not reach your sales goal.

The lesson to be learned is that prospecting **A**ctivity is not an arbitrary number; in other words, irrespective of a salesperson's skill level, sporadic prospecting activity always brings poor sales results. As a general rule, the prospecting **A**ctivity for outside salespeople, that leads to ad sales success is, to land 2 new appointments a day.

2. Sales Strategy

The **ST x A = R** formula clearly shows that prospecting **A**ctivity is key to sales success, but unless accompanied by a **S**trategic approach the most likely result is that your account executives will be extremely busy, but they'll fail to reach your sales goals. Here's why; **there is a limit to the number of accounts that a salesperson can manage** and as a general rule most outside salespeople can only manage about 40 accounts. Which means that if your objective is to have everyone on your sales team, sell one million dollars annually; then each of their accounts would need to bring them a minimum of \$25,000 a year in sales. So unless you **S**trategically identify and have them call on accounts that spend at least \$2,000 a month on advertising, the likelihood of them reaching your million dollars a year sales target is extremely slim. Furthermore, once they've reached their account management threshold, you cannot increase revenue by encouraging them to increasing their account base, but rather by **S**trategically having them replacing their existing accounts with new accounts that have a higher annual spend.

Here's another reason why **S**trategy is a key predictor of sales success. When supported by the right **A**ctivity, random cold calling can result in a substantial increase in ad sales, but a substantial increase in sales does not preclude a substantial increase in revenue. For example, you might be impressed if your salesperson's prospecting **A**ctivity landed 5 new accounts which generated an additional \$25,000 in sales last month, but if \$25,000 represents the new clients' total annual spend, then landing these accounts was in fact unproductive. Keep in mind that if you want to drive revenue the objective is not to have your account executives sell ads, but rather for them to land an account, with an annual spend that will have a positive effect on your bottom line and that requires a **S**trategic approach to new business development.



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3. Sales Technique

Although most account executives agree that selling is a skill, few do anything about it. During a recent survey we found that less than 20% of all salespeople take the time to improve their selling skills; the rest just go about hoping that things will miraculously get better; that the economy will

pickup and drive their sales. The reality is that things will not get better; in fact they're most likely to get worse. Magazine ad revenues are becoming increasingly difficult to get as more and more marketing dollars are redirected towards the internet and landing an appointment with a new prospect is more challenging than ever. Yet in the midst of these challenges there exists an incredible opportunity to drive sales. But to excel in today's challenging business environment requires **T**echnique. The days when your account executives could take a haphazard approach to ad sales are dead and gone because **selling skills have become the primary indicator of ad sales success**. For example, it doesn't matter how **S**trategic their sales approach or how diligent their prospecting **A**ctivity, if they haven't mastered the basic skills that allow them to;

- deal with voice mail
- justify the CPM
- deal with the prospect that says "Let me think it over and I'll get back to you"
- prevent the prospect from saying "I'm not interested in magazine advertizing"
- and close the sales,

the **ST x A = R** formula clearly predicts that they'll generate poor sales results. While a lack of **T**echnique does not necessarily preclude total failure, it does mean that they'll need to work a lot harder than necessary and that you're unlikely to reach your revenue goals.

Ad sales is a measurable and repeatable process and success hinges on 3 factors; **S**trategy, **T**echnique and **A**ctivity. So ensure that strategically your salespeople are calling on the right accounts; that they are implementing the skills and techniques that overcome common sales challenges and that they are involved in the daily activity that leads to success and they'll quickly become the sales **STAR** you need to drive your bottom line.

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