Sales and marketing terminology

Terminology / Acronyms ABC figures: This is the independently audited sales figure for all recognized publications in the UK. By using the ABC figure, you can quickly establish how much the advertising will cost per 1,000 readers.

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Account Managers: These are sales people who have great skills in getting repeat orders and maximizing revenue returns from existing accounts. It is very rare that a good "Account Manager" will be good at winning new clients.

Blue Bird: This is an unexpected sales opportunity that has a high chance of turning into profitable business.

BRAD: This book lists every UK publication including magazines, newspapers, vertical publications etc. It also contains key information i.e. "ABC figures", advertising deadlines etc and is one of the most useful tools available if you are looking to place advertising or embark on DIY PR.

Comfort Factor Statements: Also known as credibility statements they show that you can deliver exactly what you say you can. They must not be emotive i.e. include words like "the best", "fantastic", "amazing", "superior" or contain anything that cannot be proven i.e. "high level of customer satisfaction", "unparalleled support", unless supported by facts.

Commission Plans: This is how a salesperson is paid for their efforts. It is strongly advised that you include a minimum contribution and ensure that if you plotted a graph of gross margin and percentage of target it would create an incremental curve.

CRM: "Customer Relationship Management" This is software that organizes all your sales contacts, schedules activities and is used in targeted marketing campaigns. This is vital to all sales operations and there are many packages to choose from costing anything from £80.00 per user upwards i.e. ACT! Goldmine etc. Previously known as TCM.

Double Bubble: Sales slang for two people being paid out the full amount of commission on a specific deal / incentive or the same person being awarded double the amount of commission.

Elevator Pitch: This term comes from the theory that if you are in a lift on the 10 the floor of a building you should be able to explain what you do before it gets to the ground floor i.e. about 10 seconds. This is often the opening statement of any form of communication and is predominantly used in lead generation and marketing activities.

Farmers: These are sales people who have great skills in getting repeat orders and maximizing revenue streams from existing accounts. It is very rare that a good "Farmer" will be good at winning new clients.

Gross Margin: The difference between your buy price and your sell price.

Hunters: These are sales people who are very good at winning new accounts and getting the first order but tend to lose interest when they know that the new customer will continue to buy, this often makes them very bad farmers. Also known as New Business Sales Exec's.

Kick Back: This is when a company gets an extra soft margin when they buy sufficient numbers / value of a product. i.e. if you buy 10 cars we will give you / or the company free servicing.

Minimum Contribution: This is the account value that all sales staff is required to reach, in gross margin terms, before any commission. This is put in place to ensure that commission is not paid before staff have covered their basic salary plus all other costs i.e. NI, travel, phone, expenses etc.

New Business Sales Exec's: These are sales people who are very good at winning new accounts and getting the first order but tend to lose interest when they know that the new customer will continue to buy, this often makes

them very bad farmers. Also known as "Hunters".

OTE: "On Target Earnings" This is how much the sales person will earn if they hit their sales target. Please note that when the person has achieved 50% of target they should not earn more than 30% of their OTE. By using this method it creates a further incentive for the salesperson to hit the sales target.

Over Ride: This is the term used when a sales person over achieves his target and hence is given a large bonus. Remember the bigger the "over rider", the bigger the incentive and hence this increases the motivation to over achieve the gross margin sales target.

PPC: "Pay Per Click" This is a much-targeted method of advertising and enables sponsored links to be placed at the top of search engine results when your particular key words or phrases are encountered. For each sponsored link placed you are charged from as little as 10 pence upwards.

Prospect: A company / person that you know will require your services and they are looking to purchase. Particularly if you have been asked to bid for the work

RTR: "Ready to Run" This is the term used mainly by advertising agencies or companies for an advert which is ready to be placed. It is then common practice to place the advert on the deadline in order to get the lowest possible price.

Sales Forecast: The system that sales people and managers use to look at how much business is likely to be won each month; unfortunately these are often misleading due to sales processes that minimize inaccuracies not being implemented.

Sand Bagging: This is a tactic used by sales people who hold back orders so that as many as possible fall in the same month or quarter and hence they over achieve the target to win a large Over Rider. This is not only expensive because extra commission is paid but can also have very negative effects on cash flow. By having a properly implemented Sales Forecast it is very easy to establish if this is occurring.

SEO: "Search Engine Optimization" This is the method of making sure that your website gets lots of traffic and enables your company to be listed higher in the search engines for specific key words and phrases i.e. car hire Newcastle, buy discount fishing rods, mortgage advice etc. The downside of this methodology is that it takes several months for your website to get a good position on the major search engines i.e. Google, Yahoo etc.

Soft Margin: This is most commonly found in the reseller market and generally provided by the manufacturer in form of marketing assistance i.e. for every £10,000 of product x sold we will provide you with y amount of money that must be spent on promoting our product / service.

Suspect: A company / person that you know will require your services but nothing else is known.

TCM: "Time Contact Management" This is software that organizes all your sales contacts, schedules activities and is used in targeted marketing campaigns. This is vital to all sales operations and there are many packages to choose from costing anything from £80.00 per user upwards i.e. ACT, Goldmine etc. Now known as CRM.

TMUP: "Target Market User Profile" this is the type of company / person that would be a prime target for your business i.e. single male 30 – 40 and divorced or SME services based companies with staff of between 3-10 people based within 5 miles of central London etc. Finding and Targeting your prime TMUP will reduce the cost of sales and increase marketing and new business efficiency's.

Tyre Kicker: This is a company / person who pretend to be interested in your product / service. This term comes from the motor trade when customers would kick the tyres to fain interest when they had no intention of buying a car and were just browsing / looking for a test drive. Sales people who are not performing and wish to give the impression that their sales pipeline is strong often put this type of prospect on their sales forecast.

USP's: Unique Selling Points i.e. what makes your company different from its competitors. This is used predominantly in lead generation and marketing activities and therefore is a MUST HAVE for any sales strategy to work.