

The Role of Sales Enablement in Upselling and Cross-Selling



Executive Summary

B2B upselling and cross-selling involve recommending upgrades, additional products, or services that add value to a new or existing purchase. This practice strengthens customer loyalty as well as the customer's lifetime value to a selling organization.

Research indicates that organizations are 60–70% more likely to sell to an existing customer, contrasting with the 5–20% likelihood of selling to a new prospect. Upselling and cross-selling are significant profit generators for organizations, as the marketing investment required to get more business from a current customer is minimal. Failing to adopt upselling and cross-selling strategies for new and current customers, could mean your organization is missing out on additional revenue opportunities.

The majority of sales and marketing leaders we surveyed report that they regularly do not meet their account growth targets, indicating that most cross-sell or upsell initiatives are not effective.

- 57% said our sellers struggle to sell new products
- 61% said partners struggle to sell new products

Gartner

To make these strategies effective, sellers need information that helps them identify opportunities for upselling and cross-selling. To recognize when a prospect or customer would benefit from a higher-valued or complementary product they must have the relevant content and messaging in the right timeframe to be used in selling interactions.



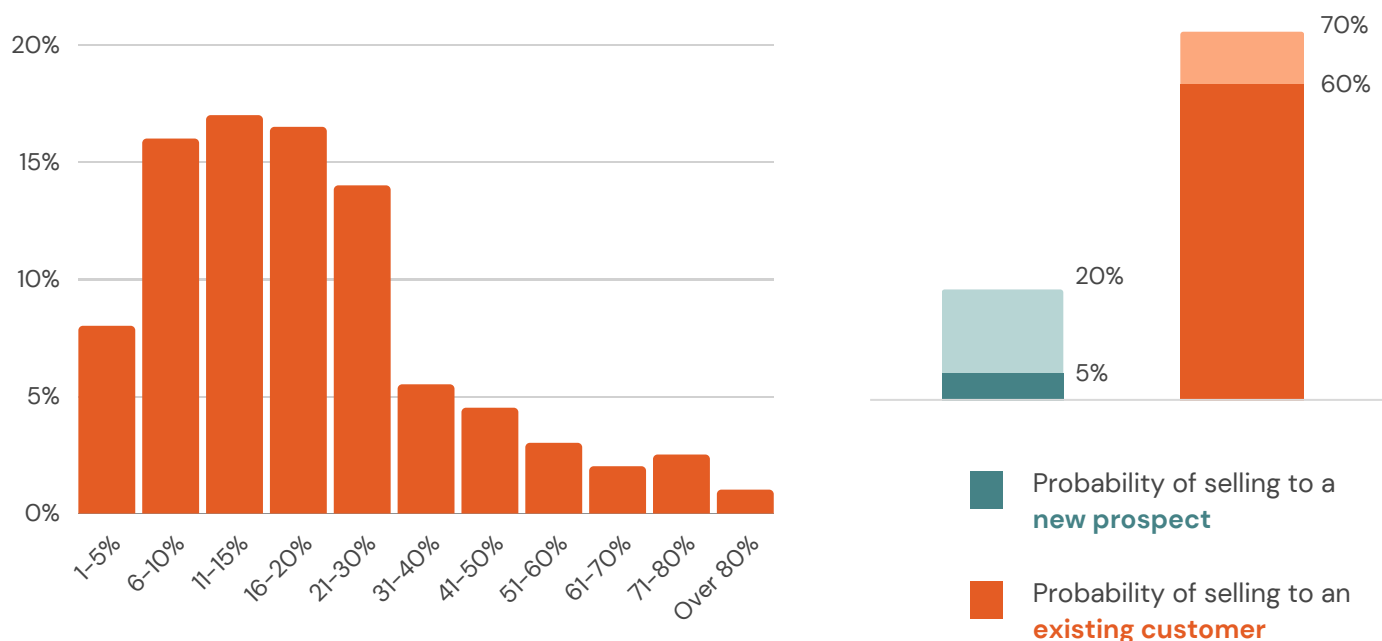
The Value of Upselling and Cross-selling

Every day, within sales discussions, up-selling and cross-selling come up without anyone realizing it's happening. This practice has proven to be highly effective in boosting revenue and fostering long-term customer connections. Opportunities to upsell or cross-sell can happen at the initial point of contact with new customers and at several stages of the customer lifecycle.

Upselling: increased capabilities to products a customer has already purchased.

Cross-selling: products that are complementary to products already purchased.

What % of your company revenue comes from upselling?



Source: HubSpot Sales Trends Report Q2 2022

According to Gartner customers, only 28% of sales leaders report they regularly meet their cross-selling and account growth targets. One Sales VP in the survey said, "The potential for cross-sell and portfolio expansion with our clients has never been higher, we just can't seem to execute."

Account Planning is Key

Without a well-defined growth planning strategy organizations risk missing out on revenue from upselling and cross-selling. To fully capitalize on these opportunities, sellers need to invest time in understanding a customer's needs, growth potential, competitive vulnerabilities, and the key performance metrics that define success. These insights empower sellers to customize their offers in a way that optimizes the conversion of opportunities and increases the average deal size.

While this may seem obvious, it's remarkable how many sales reps neglect account growth planning. A significant number of them venture into upselling or cross-selling interactions without adequate preparation. Sales teams need assistance in identifying and pursuing these opportunities within both existing customer accounts and among new customers.

The biggest shortcoming of most upselling and cross-selling methods lies in their lack of personalization, failing to understand the uniqueness of customers, their business hurdles, and how the organization's offering can help them achieve their goals. This knowledge can be found in historical customer purchase data stored in the CRM system, as well as behavioral intent data from marketing channels, which provides insights into which customers are actively seeking particular products or services.

Target up-sell/cross-sell account identification:

- Leverage CRM data to create look-alike target account profiles
- Couple with marketing data to discover customer intent and buying pathways
- Develop new/upgraded product pathway success frameworks
- Associate relevant content to demonstrate success achievement



Data-driven Upselling and Cross-selling

The most common reason for sellers to miss opportunities to upsell and cross-sell is a lack of data and insight. To truly excel, a seller must know where a customer or prospect stands on the path to purchase and anticipate their future needs so they can recommend the right products. Unfortunately, proactive recommendations of products or solutions are rarely part of the sales rep's strategy.

When scoping out a sales strategy, there are no proactive product/solution recommendations being made to the sales rep based on similar account/customer buying scenarios, customer challenge insight, or listening for when a customer is showing purchase intent signals for a particular solution early in their buying process.

"B2B sales reps will forget 70% of the information they learn within a week of training, and 87% will forget it within a month."

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Modern upselling and cross-selling strategies should leverage predictive analytics models to identify which customers are likely to be interested in purchasing a new or upgraded product. Every interaction with a customer provides valuable data that the sales team can utilize. When this data is aggregated from various customer interaction systems, it offers a comprehensive perspective on the buyer's activities throughout their entire purchasing journey.

By subjecting marketing and CRM data to the appropriate analytical algorithms (AI/ML), sellers can be proactively guided toward the best combination of products and services to propose to new or existing customers. Furthermore, these algorithms can determine the ideal timing for presenting these offers to customers, and increase a seller's effectiveness in achieving revenue targets. The challenge lies in accessing this data, standardizing it for meaningful analysis, and employing it to provide sellers with the most relevant content and insights exactly when they need them.



Customer Discovery and Guided Selling

Achieving proficiency in cross-selling and upselling within your organization hinges on the seller's ability to uncover pain points and understand their business impact. An effective discovery process not only needs the right questions but also the capacity to deep dive into negative business implications.

Sellers may want to solve the customer's problems, but unless they feel at ease to explore these issues, they will struggle to accurately assess the pain points that warrant an increased investment in your products. This is where AI/ML-based guided selling, can help. Compile all the knowledge, customer insights, content, and sales tools developed by the product marketing and product management teams and transform them into an interactive sales playbook. This interactive approach uses the inputs and responses from customer challenges to curate the right follow-up questions, and assembles the most relevant content, messaging, and offers for that specific customer for maximum effectiveness.

However, it's crucial to narrow down the options presented for upselling, cross-selling, and introducing new products. Too many choices can overwhelm the buyer and potentially hinder your efforts to increase the sale's value. A guided selling approach equips the seller with knowledge about which products and services align with the customer's initial purchase and are most relevant based on their industry, company profile, challenges, and opportunities, thereby streamlining the decision-making process.

Don't Neglect Sales Readiness

Do sellers have the necessary skills for effective upselling and cross-selling? Many sales reps fail to capitalize on upsell and cross-sell revenue opportunities due to a lack of skills and appropriate coaching. Many organizations assume that B2B sellers will naturally excel in expansion selling without assessing their knowledge, abilities, and prior experience.

This issue becomes particularly pronounced when an organization transitions from a transactional (product-centric) sales methodology to a consultative (solution-oriented) one, demanding a higher level of competency from the sales team. Routine knowledge assessments are a valuable tool for organizations to identify areas that need additional improvement.

Don't underestimate the significance of sales training in ensuring the success of an upsell, cross-sell, or new product introduction campaign. Sales training doesn't end after a sales representative's initial onboarding; instead, it must be an ongoing, continuously evaluated process that identifies opportunities for enhancing sales performance. These improvements must enable sellers to maximize the revenue potential from both new and existing customers

Effective sales training and coaching should be iterative, personalized, and inclusive. It must be seamlessly integrated into the selling process, as knowledge is best retained during real-world customer engagements. This entails requires a combination of real-time microlearning delivered within the context of customer interactions and leveraging the benefits of social learning, such as learning from sales peers and coaches.



What is Sales Enablement?

Sales Enablement is about seller readiness and effectiveness, and providing reps with everything they need to be more effective in every customer interaction. Sales enablement solutions ensure sellers have access to expert knowledge, customer insight, sales training, relevant content, and the necessary selling tools to engage with customers, progressing them through their buying journey. It's a central repository used to publish, distribute, configure, customize, and measure content and sales tool utilization, as well as its impact on revenue. All this is automatically delivered to a seller in the exact timeframe needed, on any device a seller uses, and available to use in different customer interaction channels.

- **Advisory services** (sales readiness and enablement assessment, customer journey mapping, marketing-to-sales funnel management & optimization)
- **Enablement services** (content curation that's mapped to an organization's unique GTM, sales playbooks, guided selling tools/ROI calculators, automated system for content publishing/distribution/recommendations that works in online/offline selling)
- **Learning services** (knowledge acquisition, training content, learning systems & coaching management workflows)
- **Marketing services** (custom content creation - collateral, videos, PPT, website, blogs)
- **Community services** (sales enablement program rollout/adoption, optimization & ongoing management)
- **MarTech/SalesTech management services** (implementation & administration)
- **Analytics & Reporting** (utilization & financial impact reporting)



About TEG

The Enablement Group is your sales readiness and enablement partner. We deliver the sales performance outcomes your organization has been looking for by combining advisory services, learning, content, and sales tool creation with a technology delivery platform and program management.

We package the right training, expert knowledge, content, and selling tools that work best for engaging with specific customer profiles and buying personas at every stage in the selling process. Our sales engagement platform (open source, best of breed) automatically delivers it in the timeframe when it's needed – whenever seller-to-customer interactions happen (either on or offline).

Join TEG's Readiness Community: SOR Academy



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