

# THE DICHOTOMY BETWEEN SALES AND MARKETING

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It matters not whether your greenhouse business is a small, medium or large operation, nor whether yours is a sales force of one or many, there is an interesting perceived dichotomy between sales and marketing. Sales is not the stepchild of marketing. In fact, both are inextricably tied together; both fail or succeed together. Sales activities include those functions which result in a closed business transaction (title or ownership exchanged for money) while marketing activities are those that create the opportunity for making the actual sale.

*"It's no trick to be a successful salesman if you have what the people want. You never heard the bootleggers complaining about hard times."*

— Robert C. Edwards (1864 - 1922),  
Canadian educator and humorist.

Sales generate revenues. Revenues are the dollars without which your business dies. The engine cannot run without fuel, and the business cannot run without cash. Efforts you put into initiating, negotiating and closing sales run the business. Ultimately, sales need to be converted into profits. Revenues from the sale of goods or services (the top line on the income statement) minus the myriad of expenses leaves, hopefully, net income or profits (the bottom line of the income statement).

*A customer looking for a particular item followed the shop owner into his store basement. The customer noticed that the walls were lined with sacks of salt. Curious, the customer commented, "You must sell lots of salt." "Mister, I couldn't sell a pinch of salt, but the man who sells me salt — can he sell salt!"*

Effective sales rely on good marketing. Marketing is targeting your time, money and other resources to accomplish your sales objectives. If your business plan calls for increasing sales revenues ten-percent over last year's figures, what marketing efforts will you implement to accomplish this objective? After all, it is price multiplied by quantity that generates revenue. So is the answer to increase price of what is already grown?, sell more of what is already grown but at the current price?, add more plants to the product mix?, or create value for the customer?, or ...? Marketing tasks include understanding where the opportunities exist to increase sales. Tasks also include the better understanding of your customers and what plants and services they want or need, as well as for what purpose they buy plants. Customers buy plants for their reasons, not the growers's or the salesperson's reasons.

Sales revenues generated by your business over time signal how the business is performing. Tracking sales revenues across different products gives you better information for guiding marketing. If the sales (as measured in dollars) of a plant are stagnant, you need to investigate and determine if the product is under pressure from competing or substitute plants, the price is too high or if the

plant in question is in the declining portion of the product's merchandising life cycle. Is the customer wanting something new, or a different color, form, or size, or have they seen, heard or read about a new variety of a familiar plant? For the benefit the customer is expecting, is the price inappropriate? Has the customer's interests shifted or has their enthusiasm waned for a particular plant?

*"The rule on staying alive as a forecaster is to give 'em a number or give 'em a date, but never give 'em both at once."*

— Jane Bryant Quinn (1939 - ), American business writer.

Marketing savvy includes projecting sales into the future for grasping a picture of the projected cash flow (the timing for availability and the amount). The marketing plan requires the tailoring of promotion and sales efforts for an accurate projected cash flow. In the greenhouse business, different plants are grown and then sold at different times or seasons of the year. Likely, an 80/20 rule applies — eighty percent of the revenue is produced from twenty percent of the plants. Effective sales management is understanding the plant products and the relationships to different segments of the market. Knowing which segments are growing (winners) and which are declining (losers) is key to sustaining a business.

Marketing activities complement sales efforts. Taking time to understand the four "P"s of marketing — product, price, promotion and place (distribution) — will return benefits in dollars to your business many times over. But don't forget a fifth "P" — plan, as performance and profitable rewards don't just happen. Remember, sales are the fuel that runs your business.

*"Because its purpose is to create a customer, the business has two — and only two — basic functions: marketing and innovation. Marketing and innovation produce results; all the rest are 'costs.'"*

— Peter Drucker (1909 - ), American business philosopher and author.

*Put It On Your Calendar . . .*

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