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How to Sell Multiple Products

In a web-meeting sales environment, where territories are superfluous and the sales professional never meets with the prospect face-to-face, the answer of how an enterprise should handle multiple products is vexing.

At the extremes, there are basically two options.

01 The entire sales development and sales team sell multiple products to their prospects.

02 At the opposite end of the spectrum is the situation where a new sales assembly line is built for each product being sold.

To illustrate the pros and cons of both approaches, consider the situation where a new product is launched alongside an existing offering.

First, let's examine the positives of having the same team attempt to sell both products:

It is significantly quicker and easier to ramp up appointment production and to make actual sales for the new product when existing, well-trained, and proven professionals are employed and fully ramped.

It dramatically lowers the expense and therefore the risk of the product launch, since new professionals do not have to be hired as existing, ramped professionals can be used.

Initial feedback from the marketplace is more reliable, since the existing sales team presumably has an established track record and can be trusted.

The close rate for the sales development and sales team should be significantly higher because ramped professionals are being employed. Moreover, in the case where the same target is the buyer for both products, there is a greater chance that one of the solutions will be attractive to the prospect, which also improves the overall close rate.

As a new product launch is typically an exciting milestone, providing existing professionals with the opportunity to sell the new offering improves morale and job satisfaction and also reduces the tedium of the job.

On the other hand, there are several cons to using the same assembly line to sell multiple products:

Human nature will lead the sales team members to pitch and sell the product that they understand better. As a result, the new product will often be given short shrift (if it is mentioned at all), which can give the impression to management that the product is not being well received in the marketplace.

Because sales professionals make most decisions with their wallets in mind, the team will naturally focus its efforts on the product that has a higher close rate. Often, this means that one offering will be pushed to the detriment of the other product. As new offerings often have a lower close rate in the early stages of the product launch, this generally means that sales professionals will continue to push the old product to the detriment of the new product. This perpetuates the lower close rate and makes it less likely to achieve takeoff velocity for the new product.

In a perfect world, the salesperson would try to sell both products at the same time, as this should increase the overall close rate associated with the prospect rather than the product. However, introducing two products often makes the sales process more complex, so the salesperson normally will use intuition to pick one product to lead with. Since this decision is made with imperfect information, the close rate of both products might suffer.

Selling the same product over and over again can be tedious, and sales professionals might prefer to sell the new product just because it is something different and exciting. This is especially the case if the new product has a reasonably high close rate or is selling for a higher price. This can dramatically lower the sales volume of the existing product line. A decrease in predictable revenue can put the seller in an unfortunate position.

Typically, it will be much easier for the sales development team to schedule appointments for the new product, especially if the lead database of the existing product is becoming “stale.” This could result in sales of the existing product stalling before the new product proves viable as to its close rate and price. Once again, this can hurt the financial position of the seller.

Presumably, the decision to launch a new product was primarily made to develop a second revenue stream. For the above reasons, this is unlikely to occur, as the revenue from one product will simply replace the revenue from another product and will not be additive. An alternative approach is to develop a second sales assembly line to handle the sales of the new product.

Using the same fact pattern described above, the positives associated with this approach are described below:

Separate sales development and sales teams mean that the professionals will give each offering their full and undivided attention.

The sales professionals will aggressively attack the new market, since their compensation structure will be based entirely on the success or failure of the new product launch.

Relatively more calls will be made and more appointments will occur. This will provide the seller with valuable market feedback in a relatively short amount of time, which can be used to fine-tune the sales offerings and improve the new product's close rate.

The higher volume of sales calls will mean that a reliable statistical analysis can be completed on the operation earlier in the sales process, which will improve the close rate in a quicker fashion.

Any revenue that is achieved through sales of the new product will be additive in nature.

The higher volume of sales appointments should allow the seller to maximize the presented opportunity, which is especially important if the seller is a first mover within the marketplace.

However, consider the cons associated with this approach:

Building a new sales assembly line with all of its associated stages is difficult and time-consuming, which can slow the introduction of the new product to the marketplace.

Constructing a new assembly line can be an expensive proposition, which increases the risk of the new product launch.

Hiring qualified sales professionals for the new line can be difficult, as the new product being sold does not have an established track record.

The close rate of the sales development and sales teams will be dramatically lower due to the fact that the product and the sales team are new.

Unless sophisticated software is used, it is very difficult to manage two assembly lines where both products are being sold to the same buyer. The chance for collisions is extremely high, which can negatively impact both new and existing deals by lengthening sales cycles and lowering close rates.

It is our STRONG opinion that having the SAME sales team sell multiple products, is a possibly fatal mistake. It is simply too risky as your company is leaving to the SDRs/AEs which product lives or dies. As such, we suggest that each product get their own sales assembly line which allows the current product to remain healthy and gives the best of success to the new product. To lower the risk of this approach, strongly considering seeding the new sales assembly line with a few existing, ramped professionals as this will help ensure healthy close rate.