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9 research-based strategies to maximize your profits

by MICA ALLAN — 22 hours ago in BUSINESS

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We asked four remarkable salespeople to share their secret sauce. Next up: What selling use...



What do Alan Scott, the inventor of Botox, Snuggie-creator Scott Boilen and Alexander Graham Bell have in common? Two things:

- They are/were all successful businessmen
- They didn't particularly care for the product they sold*

There's a persistent myth that in order to be a great salesperson, you have to be passionate about the product you sell. Not true. As long as you believe your product or service provides value to other people, you can be just as great.

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Being passionate about your product helps, but luckily, there are many ways to boost your balance sheet. For this article, we've collected 9 — often surprising — research-based strategies that help generate more profits.

#1 Keep employees happy and engaged

Happy, smiling people. This one seems like a no-brainer, doesn't it? The great news is that science tells us having happy employees is really good for business. The UK's **Warwick** University confirmed that "Under scientifically controlled conditions, making workers happier really pays off" and produces a 12 percent rise in productivity.

Interestingly, this rise relates to output without affecting quality as "Happier workers' effort levels go up while their precision is unaltered." And if you're wondering how this impacts workers based on gender, the rise in productivity is seen equally in both men and women.

Over the pond, The University of Tennessee explored employee friendliness and found that companies that scored highly here scored above average for sales-assets ratio and the numbers of patents filed.

Strengthening the social contract between employer and employee is also good for business performance. Because when a company treats employees well, they will treat the company well — meaning they'll go the extra mile during tougher periods when things aren't so happy.

2 Put an amazing customer experience first

Product, price or customer experience? Which makes your company stand out from the herd?

Research shows that by 2020, the customer experience will overtake price and product and be the differentiating factor between brands. A stellar customer experience can make a lasting difference, and whilst the use of technology continues to grow, and according to Walker, authors of *Customers 2020 – a Progress Report*, "It is essential that the cold, data-driven world of digital is combined with a more human touch to ensure the delivery and sustainability of a more effective customer experience."

One way of [creating meaningful customer experiences](#) is through live events such as exhibitions. Exhibitions bring companies and clients together and companies who lead the way in this field are networking and connecting with a wider audience, boosting their image and developing their customer relationships. Well-run exhibitions let B2B set the scene for initiating relationships and allowing business relationships to flourish in a face to face setting.

#3 Hire more women in executive roles

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They also found that where women are positioned in a company makes all the difference. Female CEOs were not found to outperform their male counterparts and although adding women to boardrooms increased company profits, the strongest gain came from women at senior management level.

And while women are interested in business, with one-third of women in their 20s in the US holding a Bachelor's degree compared to one quarter of men, the real challenge for women is "further down the stream."

The real reason women have more difficulty rising through the corporate ranks might have to do with how parental leave is organized. Research shows that in Scandinavian countries, where it's common to provide a number of months for paternity leave, the demands of parenthood are shared between mother and father. This contributes to greater female participation in the workforce than women have in the United States, for example.

Additionally, The Institute's research shows that paternity leave is strongly correlated with the number of women at board level.

#4 Reduce customer churn

Customer churn costs companies money. Research by Harvard Business School, authored by Aurélie Lemmens and Sunil Gupta, shows a 20-38 percent annual churn rate for mobile phone companies in Europe and a 20 percent annual churn rate for credit cards in the United States.


So it comes as no surprise that organizations are using elaborate churn management and retention campaigns. Here are some things to consider.

- The financial profit of retaining a customer depends on how likely a customer is to leave. Targeting a future churner who is likely to take his business elsewhere is more profitable than targeting a customer who has no plans to take off.
- Some customers are more valuable than others and spend more money. So it makes sense to spend more focus and energy in retaining customers who bring high value to a company.
- Even the most brilliantly persuasive targeted campaign will result in some customers taking their business elsewhere. No matter how slick or sophisticated the strategy and its implementation there will be some churn.
- And finally, the financial success of a retention campaign depends on your budget. The larger, longer or more expensive the campaign the more this will impact on a company's balance sheet. A decision needs to be made about how cost-effective that could be in the long run.


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And one thing that helps with managing change and increases profits is meditation.

‘It’s the new jogging,’ said Bostelmann, who leads the global mindfulness program at [German software group, SAP](#).

SAP  is offering its two-day mindfulness course to all of its 22,000 staff in Germany. With 21 trainers employed in 20 international locations and a further 20 trainers being added in July demand is growing for the meditation course with 5500 SAP employees on the waiting list.

“As a company, we really don’t want our employees to be “always on”” says Cawa Younosi, HR Lead in Germany.


And it seems other companies are echoing these thoughts, as SAP is now working with Siemens  and Deutsche Telekom on mindfulness courses.

Whilst the courses have resulted in SAP employees feeling more healthy and present it has also produced profits.

SAP has reported a 200 percent return on investment, an increase in employee engagement and a reduction in absenteeism.

#6 Use big data analytics



Big data is big business — and for good reason.

MIT  research shows that organizations that make data-driven decisions are 4 percent more productive and yield 6 percent higher profits than those who don’t. Studies have also shown other benefits of using data such as asset utilization and return on equity and market value.

The impact of using data is vast. MIT Sloan Prof. Erik Brynjolfsson says “Data is the world’s largest focus group.”

Need some ideas on what pathways produce data? It could be tracking systems on vehicles or supply chains, or clickstream data and word searches which provide a keen insight into what your customers are interested in.

And there’s a lot of data out there. Each month there are over 100 billion Google searches. MIT themselves has used this data at their MIT Center for Digital Business to correctly forecast housing sales for the next three months for the entire United States.

Other companies are also actively using data to drive decisions. Amazon , eBay , and Google use this data to conduct experiments, test new products and rapidly innovate.



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this can lead to bigger profits.

Grupo Financiero Serfin, one of Mexico's largest banks, experienced loan defaults as a consequence of Mexico's 1994 currency crisis. Negotiating with those defaulting did not improve the bank's loan portfolio.

Serfin then introduced a new corporate infrastructure for corporate negotiations. The following were introduced: Roleplaying real-world situations, a system for sharing successful practices and a negotiation coach to help bank employees reflect on what had worked and why.

This new system led to a burst of creativity and Serfin's employees became innovative problem solvers. Best of all this problem solving has saved the bank money. Negotiators are able to bring companies back to health, not only saving loans but reigniting the lending relationship between bank and customer. Good news for everyone.

#8 Provide multiple buying channels for customers

Research shows businesses tend to profit more when offering not just one shopping channel, but many channels or omnichannels.

Retailers using an omnichannel strategy believe this to be the magic bullet. Rice University's Jesse H. Jones Graduate School of Business collaborated with a large U.S retail company with hundreds of stores, and studied 46,000 shoppers behavior over 14 months. Shoppers were asked about the channels they had used. The results? Only 7 percent were online shoppers, 20 percent were store only and 73 percent shopped omnichannel.

Research showed that customers loved using different touchpoints to interact with the retailer and that it enriched their experience.

This is both good news for the customer and good news for the retailer: omnichannel customers spend an average of 4 percent more on every shopping occasion and 10% more online than single-channel customers.

And with every channel used the shoppers spent more money. Shoppers who used more than 4 channels spent 9 percent in the actual store compared to those who had used just one.

Showing that omnichannels are the way to go to maximize your profits.

#9 Identify "hunters" and farmers" in your salesforce

Your salespeople sell, right? Of course they do. But within this group of people, you'll also have those that are better at hunting and those that are better at farming. The hunters get clients.

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Researchers at The University of Georgia Terry College of Business and The University of Alabama worked with a large B2B firm with more than 1200 sites in the US. The salespeople answered an online study. What was found? A strong correlation between those who focused on promotion – the hunters, and a strong correlation between those who focused on prevention – the farmers.

One benefit of this is that hiring managers can use such a questionnaire to let them know whether a candidate for a sales role is a hunter or more of a farmer.

And the great news is that salespeople who exhibit traits of being both hunters and farmers are more efficient and have higher profit margins resulting in a 3 percent improvement in company sales profits.

** Alexander Graham Bell considered the phone to be an intrusion, Dr. Alan Scott invented Botox to treat the eye condition strabismus and Scott Boilen, the man behind the Snuggie, admitted in a New York Times Magazine article, “There is a bit of ridiculous to [the Snuggie].”*

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