

## What's in Your Pipeline?



**R**enbor

What's in Your Pipeline?

Real Prospects, Real Sales, Real Measurable Results

## What's in Your Pipeline?

By Tibor Shanto

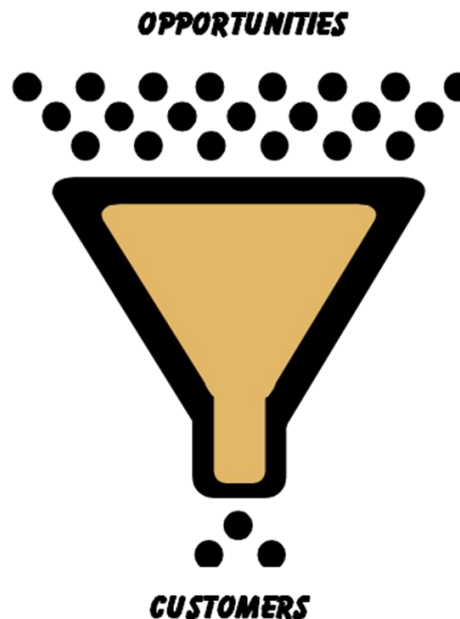
No simple question!

Based on who is asking whom, when and why they are being asked, all impact the way the question is interpreted and how you decide to answer it. Rather than spending time working through the various permutations, lets cut to the chase and face up to the fact that no mater what, What is In your Pipeline at the end it comes down to three things:

1. What you put in it – the quality and quantity of your prospecting – your Above the Funnel Activity
2. How well you manage your funnel – meaning how well you execute your sale and sales process
3. How well your Sales Management is managing your sales process

Points Two and Three clearly assumes you have a clearly defined and documented sales process, if you don't then there is some work that needs to take place before you can fully monetize your pipeline.

To most the ideal form for the pipeline is this



You prospect, find some viable opportunities to engage with; a lesser number of people agree to start the process with you; and a lesser number again end up as you clients.

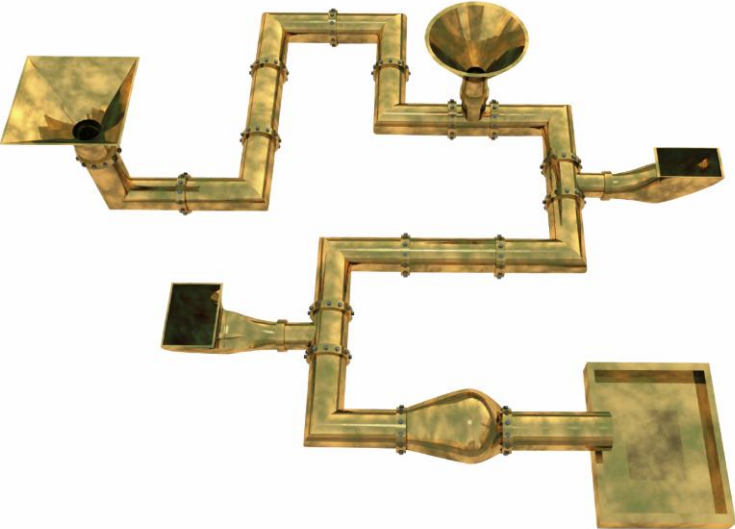
In most instances however due to a lack of proactive prospecting activities, unrealistic expectations and a lack of sales process or adherence to the process it ends up looking like this:

**OPPORTUNITIES**

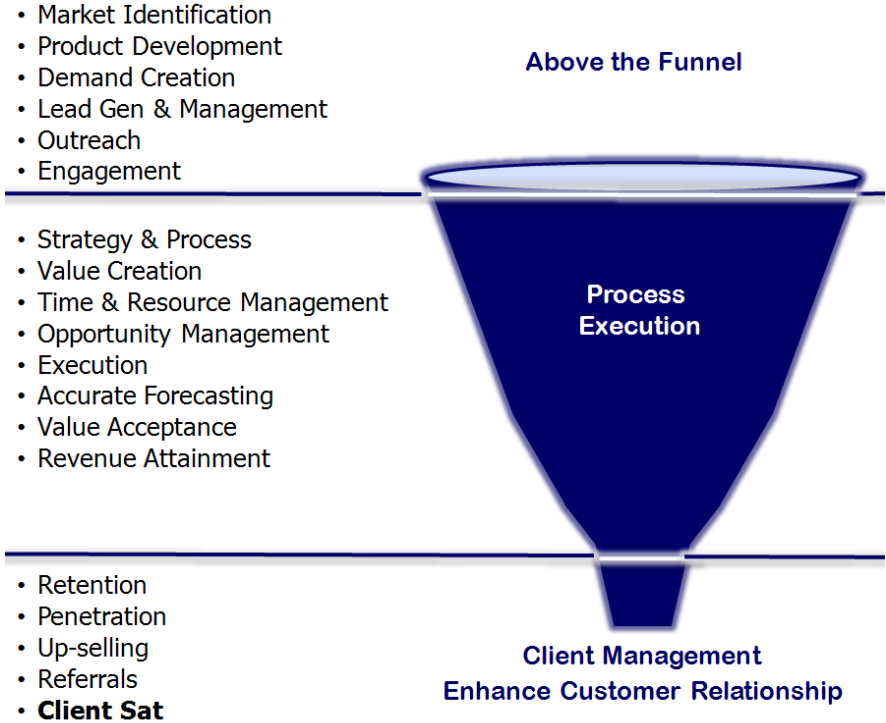


**CUSTOMERS**

Even still, for some reps, the pipeline and related process look more like this:



In this collection we present a number of areas of focus and more importantly actions you can implement now to improve your success above the funnel, in the funnel, and with penetration and retention of existing clients, so your funnel looks more like:



So when you're asked "what's in Your Pipeline?" you can respond with clarity and confidence.

Tibor Shanto  
Renbor Sales Solutions Inc.  
[tibor.shanto@sellbetter.ca](mailto:tibor.shanto@sellbetter.ca)  
[www.sellbetter.ca](http://www.sellbetter.ca)  
416 671-3555

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## Lead Management – A Focus Above the Funnel Part I

**T**here have been many things written about the importance of managing your prospects to ensure success in sales; in fact we have presented a number of articles here in The Pipeline dealing with the subject. Without over stating the obvious, the better job one does in managing the pipeline, the greater the likelihood of increased output and enhanced efficiency in the sales cycle.

To a great degree what is in your pipeline is determined by two things, first, how well you manage the content of your funnel, moving opportunities through to close or removing them to drive clarity and reality in your pipeline. Second, how well you are able to feed the front end of your pipeline. The connection between the two is critical since what sales people emotionally believe their pipeline or funnel to be, triggers their urgency to prospect! If your pipeline is "full", you are less likely to prospect, even if what it is full with is questionable.

To manage the former, we must prune our pipeline regularly, daily; either moving things through to close, or getting them out if they are not progressing at a proper pace. We have spoken in the past about not having opportunities with out next steps in the pipe. We are not suggesting that you give up and/or forget those, but unless they are actively moving through your pipeline, they are clogging your pipeline, and therefore should be removed. Done right this dramatically reduces the amount of "things" in your pipe; this then triggers more prospecting to make up for the void.

To prospect effectively, one must have a thought out approach to sourcing and managing leads that will be converted to prospects. At any given time only a small percent of your target market is "in play", depending on who you believe, it is a low of 3% to a range of 12%. Not a large pool considering your competitor is targeting them too, and the incumbent is working hard to retain the account as well. However let's not be overly pessimistic, because a good number of the remaining 90% or so can be sold, that is after all what we pay sales people to do. Well sort of, before we can sell them, we need to engage with them, and that's something many sales people don't like or do well. Sales people are regularly told to go out and prospect, and close sales. We give them the tools, the training to improve their skills (although not always prospecting training, mostly sales training); sometimes we give them leads, and we send them out to find prospects.

We at Renbor tell our sales people to create prospects. For us prospects are created not found. With that minor distinction we help sales reps view the process and approach differently; we place a different value on the lead. Most sales people are taught to believe that prospecting is a numbers game, knock on enough doors and you will find prospects. On the face of it that is true, but it assumes an endless source of leads, and impeccable timing on the part of the reps.

Consider this, most potential prospects, leads that is, generally will not engage until approached some 4 to 7 times. How many times do your reps work a lead, knock on the same door (phone) in trying to engage with a lead they want to prospect? The general response from hundreds of sales people surveyed is 2 to 3 times, and then they move on. They are not even a blip on the leads radar and they are ready to move on (give up). "We don't want to bother them, don't want to be a pest". The reality is that after 3 times not only are you not a pest, you haven't even registered.

What happens to this lead after three times? In some cases they are abandoned by Rep A, management believing that there might be gold in "them thar" leads, gives them to another rep, who tries three times and gives them back. By the time the third rep gets it, she hears that these have been tried, a waste of time, but she gives them the obligatory three shots, with some reluctance since her colleagues have told her there is nothing there, and gives up.

Leads need to be ranked and managed in an ongoing way; we refer to this process as "campaigning". At any given time we have leads that we are being campaigned actively, and some that are between "campaigns" and therefore idle or inactive. Once we start a "campaign" on a target (an individual or a company), we make sure that there are at least 6 touch points with the target in a space of two weeks, 10 business days. This includes a use of voice mail, e-mail, and all means available to us to register on the targets' radar.

Inactive or idle leads are put into a program of systematic contact flow, something others call the DRIP approach. Our goal is maximum touch with minimal effort and resources. The goal is to ensure that we "ping" the lead on a regular basis, for instance a newsletter like the one you are now reading. Other things could include product update, release notices, invitations to webinars or corporate events, this will primarily be driven by your industry and product specifics. We execute ours on a monthly basis, others more or less frequently, again no right or wrong as long as you don't over do it.

Beyond the monthly ping, we schedule a direct call every three months, gauge and update the status of the lead. If nothing has changed, that is, they are not ready to engage and become a prospect; we schedule the next call three months hence. During the month that they receive our call, they are deemed "active" or "being campaigned".

This leaves us with three groups, inactive leads, active leads (currently "in campaign" mode), and prospects, leads that have moved from above the funnel into the pipeline. This last group is then progressed through the sales process utilizing our [Funnel Management](#) process.

This process allows fully monetizing our leads, engaging with them at the "right time", and working with prospects that have some small familiarity with us since we have been pinging and contacting them systematically. Our reps see this as a means of slightly warming an otherwise cold call.

As our clients put this into practice, the next thing we focus on is how to best source leads, because everyone wants "the good leads". Just like in Glengarry Glen Ross, if

only they had the "good leads" they would close more deals. Maybe, but first they have to be prospected and brought into the funnel from above the funnel. We will tackle that topic next.



## Lead Management – A Focus Above the Funnel: Part II

Last chapter we highlighted the need to better manage things "Above the Funnel", with a specific focus on how to best manage leads. The central message being that leads need to be fully maximized and nurtured using a system of campaigning that dictates what actions we take with "Active" lead and what needs to be done with "Inactive" leads. Clients, who embrace the methodology, monetize a larger percentage of their leads by consistently converting more of them in to viable prospects. This still leave a question that many reps claim to struggle with every day, and that is where you source leads.

One of the sad truths of sales is the activities involved in being successful above the funnel; Lead Generation and Prospecting are more "blue collar" in nature than the rest of the Revenue process Sales, which traditionally has been more "white collar" in nature. Many sales reps fancy themselves white collar professions and therefore do not take to lead generation and prospecting. They fail to acknowledge that there is heavy lifting, plenty of hard work, in this contact sport called Prospecting.

Having implemented a Touch > Contact > Engage, approach to managing your leads, you need to have a replenishment plan. The fact you are recycling leads, ensuring that you benefit from the fact that today's dud is tomorrow's cash cow, understanding that more is not best, just a start, you still need a means of bringing new leads in to you base.

As with many things above the funnel, there are few secrets, the real deal is in implementing, and staying consistent; the things you'll read below all will work if you put them in to practice, and do so in a consistent ongoing way.

In no particular order, and with the understanding that many verticals have other unique sources for leads, here are a few everyone could use immediately:

- Referrals
- Dependent Referrals
- Networking
- Directories
- Cold Calling

• **Referrals** - Everyone talks about them, very few actually do it, or do it right. I find it very interesting, at every workshop I ask how many people have success with referrals, and in a group of 15 or 18 people two people will put up their hand; I then ask how many actually ask for referrals, and the same two people raise their hands. Everyone has worked referrals, but very few actively generate referrals. The one that

do seem to restrict it to people they "have a relationship with"; when asked why they don't include prospects, or leads in pursuing referrals, they rarely have anything to offer other than that they "don't yet have a relationship". There have been numerous quality books written on referrals, we recommended one in The Pipeline's Recommended Reading section. The key is you can get referrals from a lot more people you deal with in business, from prospects, clients, vendors, tradesmen, even other leads. It is never too early to ask for referrals, you may not get one right away, but people will know you are ready for them.

- **Direct Authority Referrals** - One source of referrals need to be segmented from the others, and needs to be more consistently pursued and harvested, we call these Direct Authority Referrals. These are people who have relationships with people who could use your service or product, and are in a position to have to more than strongly influence matters as a result of being an authority figure. Often as a result, they are privy to information that you can benefit from, and where their recommendation or referral will fast track the process of moving a Lead to a Prospect, and hasten the sale in general. These could be lawyers, accountants, business advisors, bankers. Within given markets there could very specific relationships where one party is in a position to help the referral take on real teeth.

For example, there is a natural synergy between what I do and Sales Compensation consultants. They are interacting with people who can use our services, and can often be perceived as "an authority" by these people. Not only can we add value to their relationships by ensuring that the client fully benefits from their service we are able to accelerate the cycle for both our companies and increase the benefit for the client.

Regardless of the nature of the referral, you can take the initiative in ensuring a healthy relationship, send referrals their way, if you can, before you even receive one from them, this is a small investment, but one that pays long dividends.

- **Networking** - It's on everyone's to-do, not all ways done effectively. There are all kinds of books and articles written on networking, everything from etiquette to finding different networks. Our focus here is to get you thinking about where prospecting fits in to your lead management strategy and program. Not all networks a suitable for every type of sale, but there are always a number that will provide you a steady stream of leads. Since networking is part of the over all strategy make sure you don't over do it, but do it right. When you attend an event remember you are there to network not socialize. Have targets to measure against and adjust them and you networking based on clear objectives and results.

- **Directories** - Much like networking, there are a number of different directories out there. Some may cost more than others, but if they provide the leads you need you'll find the cost negligible. We do quite a bit of cold calling, and we rely heavily on Scott's Directories, over half our leads, managed or pre-sourced come from Scott's. The ease of use, sorting, creating lists, all make this more than a cost effective way of securing quality leads and prospects on an ongoing basis. There are association member lists, chambers and boards of trade, and many more.

● **Cold Calling** - As we have outlined in this space before, other than referrals, cold calling is still the most time and cost effective way to gain and qualify leads and turn them in to prospects. A few months back we wrote:

*"That's right, because cold-calling works, if it's done right. The survey results showed that the top three ways companies generated quality new leads over the past two years were referrals from clients or partners (22%), general referrals (16%), and cold-calling or telephone prospecting (13%)."*<sup>1</sup>

Even in these days of global warming, the inconvenient truth is sales is that you have to have prospect to get sales, and cold calling done right is still an effective way to get those people who want to buy, who don't know how to find you.

Using the sources above and other tactics, you can ensure that you have a steady source of leads. Using the strategies we outlined last month in part One, you can qualify, rank and continuously convert those leads to prospects and then to sales.

While we have not found a way to make things easy, I think you'll find that putting in to practice the things highlighted in these two articles, you will find it easier to engage with more people at a time when they are more likely to have an interest in what you have to sell, and manage those that will be prospects in the future.

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<sup>1</sup> Businessweek.com March 16, 2007

## Working Backwards From Your Goal To Get Ahead

**I**t is always interesting when you sit with a group of sales people and the subject turns to sports. No matter what the sport, there is the inevitable talk of the leaders and their potential accomplishments over the course of the season. When it comes to individual athletes, the talk turns to their numbers, total goals, batting average, number of at bats, plus/minus averages, number of times striking out with men at second, short handed or power play goals, home average vs. road average, and so on. The athlete's numbers are dissected and analyzed from all angles, usually in connection with a pool or a wager.

Yet often when you ask the same sales professional what their numbers are, they usually tell you their goal, where they are vis-à-vis their goal, perhaps how many sales they have that month, how many accounts they currently have, but usually not much more.

But like athletes, sales professionals need to track much more if they want to consistently outperform. How many at bats? Or better yet how many appointments did you have this year, and how is that versus last year? Is that number of appointments adequate to get you to your goal? To properly answer that, it is necessary to break down your goals to understand the level of activity needed to achieve it. Somewhat like working on your batting average or number of hits. To accomplish this you need to track a number of things, and then work backwards from your goal.

Three things are a must:

- The average length of your sales cycle
- The average size a sale
- The number of meetings (appointments if you will) during that sales cycle to close the sale.

Very few people can tell you what their average sales cycle is for a given product (understanding that some folks sell a variety of products, and each may have a different cycle), key here being average. When we ask about the length of the sales cycle for a product we often get a wide range of answers. Recently we had a manager tell us that the normal cycle was between 10 to 12 weeks. When we put the question to his team of 8 reps, the shortest was 6 to 9 months; the longest was a year to 15 months, quite a range.

Now it goes without saying that if you looked at the last 100 sales for a given product, a pattern will emerge. After you take skills and other factors into account, you will see a discernable curve. Leave out the anomalies and you'll find that some 80% will fall in to a tight range. That is your sales cycle. Doing this takes effort and cooperation between rep and company, but it is a worthwhile exercise that helps everyone set benchmarks; and hey, leverage the investment in that CRM. This same process will give you the average size of each sale.

This done you can then focus on the average number of meetings to close a deal. This is much more an individual exercise, but there is benefit in knowing the organization's average. But unless you know how many meetings you will need to close a deal, how will you manage your diary. With tools available today this is an easy thing to discover and track going forward. Now you can easily know how many sales you'll need to make your year, or better yet, how many you'll need to beat your goal, how many meetings you'll need to schedule and properly manage your time.

This can also be the base for further improving you're activities to deliver success. For one, you need to know how many "new prospects" you need to engage to reach your goal. Allowing for the fact that a certain part of you goal will come from existing clients, it is also important to know how many new prospects you need to identify, find, engage and close to make your number.

For example, if the first exercise showed that your cycle is a month, you need 60 sales a year (or 5 per month), and it takes on average 4 meetings to close a deal. You know that you will have a minimum 20 meetings per month. This assumes that you will close every new prospect you meet, but if you close (in the current cycle) only one out of every three new prospects you meet, then you can add ten more meetings. Now if half those go to a second meeting before you loose them as prospect, add another 5 meetings. That is 35 meetings for the month. If you loose two more after 3 meetings, you're at 38 meetings a month or about 9 per week. And we haven't even begun to allow for account management, admin, and most but not last: prospecting.

By the way, the above works just as true (and well) if your average sale is \$600,000, over a 12 month cycle involving 10 meetings.

What does it take to set 15 initial appointments it takes to secure five deals a month? How many people will you need to speak to, how many will you need to reach out to, how much time will this take everyday?

You have to take the time at the start of the year to work backwards from your goals, using your specific stats (at bats, batting average, times called out on second after a walk to first...). You need to repeat this at least quarterly based on success YTD, or even monthly depending on product, market and cycle. In a slow year you need to increase activity and productivity according to results, and in good years you set to out perform or moderate pace and perhaps work on existing clients and penetration.

Now athletes and coaches go through this almost daily, not only looking at game stats, but reviewing tapes, and then adjusting accordingly. Sales professionals have to as well. Without working backwards from your goal, you have little chance to get ahead.

## How to Shorten Your Sales Cycle?

I have a friend Barry, a professional driver who regularly drives from Toronto Ontario to Long Beach California, a trip of roughly 4,100 KM. I have done the same drive a number of times, so we often compare notes about restaurants, places of interest, etc. We also talk about how long the drive takes, and what is interesting is that if you take the weather out of it, he tends to make the drive in about 2.8 to 3 days, while it usually takes me 4.75 to 5.5 days. We both go to the same destination, covering the same ground, driving within acceptable and safe speed limits.

Looked at another way, if we both got \$2,500 every time we got to Long Beach, and another \$2,500 every time we got back to Toronto, Barry would collect \$187,500 in a 225 day work year; while I would only collect \$102,272 in the same period. Wow, not what you'd call chump change!

We see a similar phenomenon with many of the sales people we work with, some close a sale in 16 weeks, while the lady in the next stall closes the same type of deal in 12 weeks. What ever other skills and abilities may be at play, it is clear that with a shorter cycle, she will sell more, earn more, and probably last longer in her position than Mr. 16 Weeks.

Shortening your sales cycle is one of the easiest and most efficient ways for an organization to increase sales and simultaneously reduce the cost of sales. This in itself is not news or a revelation, most Sales VP's I work clearly state that they want to help their people reduce the sales cycle, but many are just not sure how to do that, some lack the conviction, but as always, some just do it intuitively and can't seem to sustain it over time.

To begin with, many sales people just don't know how long their sales cycle is, we ask and we hear things like "depends" (sometime it fits), "it changes" (it always seems longer during Daylight Savings Time), and the all time favorite, "well you know it's different in our business". Well it's not really.

Underlying this is the fact that many reps and organizations do not know what their sale looks like, they have not deconstructed their sale, identified the basic building blocks to identify and truly understand what it should look like and when efficiencies can be had. One facet of this process is covered in "Working Backwards From Your Goals"

While there are a number of ways to affect the length of the sales cycle, by far the easiest to implement with the highest rate of return, no technology required, is to always secure a next step with your prospects. Sounds simple enough, but for some reason, it is hard to get reps and managers to adopt.

Session after session, we implore sales people to always conclude meeting with a clear and mutually agreed on next step that commits both you and the buyer to not only a specific time and action. More often than not however, this either does not happen at all, or only partially.

Reps tell us **"my step is a call next Tuesday"**

*We ask when?*

**"In the morning"**

*What time?*

**"Around 10:00"**

*Did she agree to that time?*

**"Yes she said Tuesday morning would be fine"**

*So she agreed to 10:00?*

**"Well Tuesday morning"**

*So if we looked in her calendar, there would be a scheduled call with your name and related actions?*

**"I guess, ya!"**

*What does she think the call is about and what does she have to do to get value out of the call?*

**"I said that I would follow up to find out .....; and arrange a follow up"**

*What does she have to do to be prepared for the meeting?*

AND ON IT GOES.

The above is typical of discussions we have with reps. They either do not pre-plan their desired outcome for a meeting, or get a tangible indication of interest by the prospect.

"In selling, a "Next Step" is tangible evidence that someone is working with you - playing ball with you. It's not a "gut feeling" that the person is interested in playing ball with you, but proof of that interest."

Next steps can take different forms, could be a face to face meeting, a call, or an action taken. But what they have in common, is that they commit the prospect to meeting with you to proactively move the process forward. They should involve some commitment on the part of the prospect; after all they should have some skin in the game as well. This could be as simple as forwarding production schedules, current tariffs, plans that may help you understand their requirements; or a conference call with their technical team; a copy of their financial statements, etc.

The key is that it be more than just the willingness to meet with you; other than their time, what commitment are they making? You on the other hand are going to go back, engage resources in your company, invest your time to come up with something to present to the prospect, all without testing the commitment level of the other party.

In most instances, a next step does not always have to be quantum leaps, just remember that even a small movement forward gets you that much closer to close. But if you don't secure a next step, have you advanced at all?

Another common occurrence is meetings ending with the prospect saying "great, I am glad we had a chance to meet, I really like what I heard, I want to bring my team up to speed so call me next week, and we can discuss things further." Worse the rep says "I'll call you next week". Even with straight and honest intentions, you usually end up playing phone tag, and when you finally connect you end up setting up a meeting a week or two out. You can easily save a few weeks, at times as much as a month, by scheduling the next meeting at the end of the current meeting, an added benefit is avoiding the stress brought on by the whole ritual of phone and voice mail tag.

Getting next steps is not as easy as just asking for one, although it may be in some cases. The proposed next step has to make sense to the prospect. In order for that to happen you have to have planned out your meeting; you need to know, plan and move towards a logical conclusion to the meeting. As you execute your plan, you need to be cognizant of whether your primary next step will pan out; if not do you will need to revert to your secondary next step, (yes you have to plan that too), or other alternatives. Please remember this does not have to a complicated and laborious process, once you know the building blocks of you sale, the same building blocks you uncovered during the deconstruction process, the basics become easy to manage and plan, and then it is down to execution.

In most instances, when we deconstruct a sale with one of our clients, we find one of the easiest things to help them shorten the cycle is the insistence that anything in the pipeline have a real and clear next step (as we define it). Let's face it, if you don't have a next step, what do you have? What's in your Pipeline?

There are other ways to help teams shorten and tighten up their sales cycles, next steps is one of the easiest.



## Five Proven Ways to Get More Appointments

This time of year you see a lot of surveys about sales, views of sales leaders and their goals for the year ahead. One consistent theme is the need for more prospecting both within existing accounts and for new clients. This can not be accomplished without getting appointments, probably the least liked activity for all sales people, veteran or new. It's not rocket science: Sales come from Prospects; Prospects are a result of meeting with people: Appointments.

Our Appointment-Making Program deals extensively with the art and science of getting appointments with decision makers on a consistent basis. Here are some proven methods to help improve your appointment setting skills and numbers.

**Shift your calling hours:** Many trainers suggest that you do your calling first thing in the morning. Theory being that you "get it out of the way" first thing, and then go on about your day doing what you do best and like to do: sell. The reality is that you need to shift your prospecting calls to when your target audience is more likely to be available. For some services like ours first thing in the morning is best, first thing being 7:00 to 8:00 – 8:30 a.m. However if your target is a plant manager, service manager, traffic manager, VP ops, you are not likely to find them in their office in the morning, mid-day is probably a better time.

With a bit of research and keeping track, you can typically learn when is a likely time not only to find your target by their phone but also in a position to listen to your approach, and respond in a way that serves your mutual needs. A little preparation, segmentation and planning goes a long way.

Please be clear, we are not excusing you from making calls at all times, just encouraging you to call targets at a time that will yield best results for you.

**Voice Mail: ALWAYS LEAVE A VOICE MAIL MESSAGE!** A lot of people don't believe in leaving voice mail, and that's alright, because if you do, you'll get more appointments.

There are a couple of dynamics at play. A lot of reps say "I never get a call back"; "No one ever returns voice mails". Not true, I get return calls from 5 out of 10 messages I leave. (Our *Appointment-Making Program* instructs participants on how to leave effective voice mails.)

But you can also benefit from the ones that do not call back. Studies have shown that it may take anywhere from 4 to 7 approaches for someone to respond or deal with a new matter. Other studies have shown that most sales people give up after three attempts at reaching someone (usually with a manager saying move on in the background).

Now if you do not leave a message, then you may have tried 3 times, and let's say you're one of the keeners who tries 4 times, as far as the prospect goes you're at zero, because they have no way of knowing that you called, because you didn't leave a message or "calling card" telling her you want to talk to her. You also don't want to be at the other end of the spectrum, wasting your time dialing someone dozens of times, not leaving a message, then finally connecting and letting built up frustration out on the prospect, as though it was their fault that you called and called and called, instead of leaving a message and having them call you, like every other person I leave a message for does.

Another thing to consider is that a vast majority of reps, who do not leave messages, still listen to the entire outbound message on the voice mail, so why not take a few more seconds and leave a message.

It's a no brainer, on the one hand, even if they don't call back (within 72 hours), you are on the prospects radar (yes initially at the fringe) but still better than the superstars who don't leave messages; on the other hand a 50-50 shot of getting a call back, good odds, and certainly many more conversation leading to more appointments.

If by chance you do miss a return call from someone you left a message for, not the time of their call to you, and aim to call them back in the same time frame, another way to **shift your calling hours**, in addition to those detailed above.

**Segment Preparation:** Since most sales people do not like to prospect to begin with, they like preparing for it even less. But at the end, anything worth doing is worth doing right, and in sales and prospecting that means taking the time to prepare.

With prospecting preparation is just as vital as at any point in the cycle. This goes from a simple thing like having a complete calling list ready, including name, title, number, potential value statements, references, potential voicemail message, and the ability to anticipate and deal with objections.

While these may seem obvious, many sales people do not take the time to be ready, and as a result get distracted, rejected and dejected. Having the above and an understanding of how to relate to the person you are calling can dramatically increase the resulting appointments. As with any of the things discussed in this piece, the better you are at getting the right number of appointments to drive your business, the less calls you have to make.

I would caution that you have to be realistic not confuse "preparation" with "deep research" for each appointment setting call, that would be a waste of time at this stage. If your numbers are 12-6-1, (12 dials to reach 6 decision makers resulting in one appointment), and you spend 5 minutes researching each call, that's 2 hours of research for 1 appointment, not a good use of time.

**Leverage:** As you are working with clients, or calling prospects, you are in a position to glean a lot of useful information that is current and relevant to a given sector or type of buyer. Why not use that information right away to generate more appointments.

You can call people in the same sector that you have tried in the past, and demonstrate the interest you have in their sector, how you are keeping up with developments and why they should rethink meeting with you. This especially works if you present it to them in the context “I was thinking about you and the impact .....would have on you company” (project, initiative, what-have-you). People really respond when you tell them you were thinking about their issues and how you can help rather than just as an order.

You can also call new prospects and lead with something current and relevant, distinguishing you from the horde of reps whose initial prospecting call is generic with questionable relevance for the prospect.

The more folks you engage with based on their points of interest, the more you increase your probabilities and resulting appointments.

**DO IT!** We’re not being cheeky; the number one reason for lack of appointments is lack of action taken, lack of effort. It’s something most reps don’t like to do, so they find any number of reasons not to do it. A sales manager at wireless company captured it very well when he said “there is always a battery that needs to be driven across town just when its time to prospect”. Sometime the greatest creativity shown by sales people is demonstrated in the way in which they avoid making the appointment setting calls.

But as with any professional endeavor, there will be necessary aspects of the drill that are not fun, yet those who excel understand that they have to incorporate it into their game. The way to minimize the grief is to improve your skills, master it and thereby have to spend less time at it while still achieving the levels required to be consistently successful.



## Discover How To Leverage Voice Mail To Make More Sales

Productivity and cost efficiency are key drivers for corporations adopting new technologies. While it is hardly new and few can dispute its overall benefit, voice mail is one technology that has greatly reduced the productivity of Business-to-Business sales people and increased cost for their employers. This however can be fixed. Here's how.

No question that trying to engage with a live prospect has become increasingly challenging as voice mail has become ubiquitous. Contrary to what most reps think it is not always a case of people "hiding behind voice mail", most people are truly busy and use voice mail to cope. However, consistently successful reps always leave voice mail, and as a result get more appointments and generate more sales and revenues. There are a couple of dynamics at play. A lot of reps say "I never get a call back"; "No one ever returns voice mails". Not true, I get return calls from five out of ten messages I leave.

More importantly you also benefit from messages left even when they don't call back. Studies show it can take anywhere from four to seven approaches before someone responds to or consider something new, i.e. your product/service. Many reps will call numerous times, not leave a message hoping they will eventually get the person live; most will give up after three attempts at reaching someone, and move on. There is a difference between being persistent in getting on a prospect's radar, and pestering; most reps give up too soon. When you do not leave a message, then you may have tried three or even four times, but as far as the prospect is concerned you're at zero; you didn't leave a message, no "calling card" telling them you want to talk to them.

Some reps waste time dialing someone dozens of times, not leaving a message. When they finally connect they let the built-up frustration out on the prospect, as though it was his fault that they called and called and called, instead of leaving a message and having them call back, while making use of the wait time to reach out to more prospects. Another thing to consider is that a vast majority of reps, who do not leave messages, still listen to the entire outbound message on the voice mail, so why not take a few more seconds and leave a message. It's a no brainer. On the one hand, even if they don't call back (within 72 hours), you are on the prospects radar (yes initially at the fringe but better placed than those who don't leave messages).

On the other hand, you have a 50-50 shot of getting a call back, good odds, and certainly many more conversations leading to more appointments. The technique for getting a call back is very simple. The human mind hates a mystery; given the opportunity to erase a question mark most people will do it. Most messages ask you to leave "a detailed message", because they want to be able to fully evaluate and prioritize who and what they call back. Your goal is to be contrarian and minimalist. Create a need for them to call back if they want to close off or resolve the issue. Using third party references and brevity is the key. Consider using a message like the one below. Assume ABC is a company you currently do or have done business with that the

contact will recognize, (competitor, supplier, customer, but one that you are or have dealt with).

*"Hi Ms. Smith, This is Paul Drake from Safety Software. You can reach me at 416-555-1212, and I'm calling you with reference to ABC Company."* Keep the messages short!

If you leave a message like the one above, elicits curiosity and leverage the work you are doing with ABC Company to schedule an appointment with your target. As mentioned above, I get five return calls for every ten messages left. That is five more conversations than those who don't leave messages, which means more appointments and more sales.



## Rediscover A Proven And Easy Way To Increase Sales And Productivity

Recently I was listening to Kelly Hrudehy, former LA King goalie, and now a Hockey Night In Canada commentator. He was taking calls when a father of a young and budding goalie, asked what is the one piece of advice Hrudehy would give to the young and perhaps future star. Now you would think that if it came down to one thing, the one thing that would really make a difference, perhaps change the young man's approach, it would have to be profound and special, something perhaps not obvious to hockey neophytes, and certainly not something that the average Joe public could deliver. Can you guess what he said?

His advice was: *"Tell him to keep his eye on the puck!"*

Keep his eye on the puck? There is something only years of experience in the NHL could bring? What's more, the reason the whole thing stuck with me was that the following day, Scott Morrison, another hockey expert and sought after sage, reinforced Hrudehy's comments. Stating that he was listening, and wanted to reiterate how important it is to "keep your eye on the puck", imagine that. They both went on to explain that while it may seem obvious, there are so many things to distract a goalie, concentrating on the basics becomes an on going challenge, and a key fundamental that has to constantly practiced and reinforced.

Now you are wondering where the parallel is to sales and productivity? Simple, success in sales follows a consistently straight forward path. Contrary to popular belief, sales is not about closing, although many will tell you that, especially after the big scene in "Glengarry Glen Ross", where the reps were crudely reminded to "always be closing", ABC. And while coffee may be for closers, success comes to those who can get appointments and develop a consistently healthy pipeline.

The fact is that **Sales** come from **Prospects**, and **Prospects** come from **Appointments**. It's true for inside reps as it is for outside reps; it's true for "complex long sales" to five minute phone sales. If you are not getting in front of people, you are not going to have real prospects in your pipeline. A healthy pipeline is the easiest way to ensure sales.

But wait, we are not there yet, here is your Kelly Hrudehy sales moment: One of the most effective ways to get Appointments to convert to prospects is Cold Calling.

A recent article at BusinessWeek.com once again reconfirmed this. In a piece called "[Is Cold-Calling Really Dead?](#)" They cited a survey of 700 business leaders focused on effective business generation, where cold calling came in just behind referrals as the most effective means of driving business.

But before you go off thinking you can cut out cold calling and get new business from referrals, there are a couple of basics to deal with first. Most sales reps are not much better at cultivating or monetizing referrals than making cold calls. It feels more

productive because it does not have the high rejection factor cold calling does. The number one reason reps don't like to cold call is the high level of rejection, real or perceived. As a result, they will do anything to avoid it, as a sales manager at a wireless company once told me, when it comes time to prospecting (i.e. cold calling), there is always a battery that needs to be driven across town to a "very important" customer. So with a high perceived rejection factor, comes a high reluctance factor.

This is the reason for the proliferation of programs and methods promising prospects without the need for cold calling. This reminds us of infomercial for "motionless exercise" and miracle weight loss. The reality is that as with any exercise regiment, nothing works better than consistent implementation of a disciplined routine.

If you look at the facts more closely, a different reality exists. Most people who complete and fully implement our Appointment Making program generally convert 16% to 25% of conversations resulting from a cold call to appointments, and about 50% of calls result in conversations (this includes getting return calls from voicemails left). Add to that the relative low cost and minimal time required to attain these appointments and you can see why cold calling is much more effective than most reps will recognize or admit.

Combine referrals with cold calling and you have a powerful means of ensuring that your pipeline is full with enough real prospects to drive your objectives and results. I have a former participant in a program who has truly mastered the art of referrals. But he always points out two things, that referrals still have to be engaged, and a time has to be scheduled to initiate the sales process. This may be simple with "warm referrals", but can be a challenge for common referrals. The other thing he points out is that he regularly cold calls to ensure he has a steady source for new referrals. He wants to consistently expand his networks, and at the same time build new networks. He understands that everybody he meets know some 250 other people, he regularly cold calls to bring in new connections of people with 250 connections.

To fully exploit both referrals and cold calling to generate a sufficient amount of leads, appointments and prospects, you need a method guaranteed to help you put into practice a proven and easy (not effortless). You need to develop the discipline and commitment to constantly and consistently implement a regiment of getting in front of new prospects. This may sound as simple as keeping your eyes on the puck, but then again, of the thousands of would be hockey players very few make it to the pros. Of the thousands of would be sales people, the ones that deliver year in and year out are the ones that see a sufficient number of prospects week in and week out. To find out how you can get your team to keep their eye on the prize, visit [Appointment Making Program](#), or contact us directly.

## Actioning Your Plan

**I**n a recent article titled “How to shorten your Sales Cycle”, we stated having a Next Step is crucial to ensuring we are dealing with real prospects, who are actively involved in moving through the sales process with us. (See survey results below)

We got some interesting feedback to this, much of it similar to the type of feedback (pushback) we receive during our [Funnel Management Program](#). Primarily it is around the question of what really is a next step. Our definition is simple: a mutually agreed on scheduled event, where both you and the prospect work to move the process forward. Simple but clear. But many see it as rigid; in fact recently some have labeled it as being “a fascist view of sales”.

For us, the only indication of interest is action, and without an agreement between you and the prospect to take action to move the process forward in a defined time frame, you do not have an indication of interest. Anything short of this is a plan, not a next step; it may be a good plan, the prospect may be aware of the plan, he may even like the plan, but if they do not agree to act on it, it is just a plan, not forward progress. It’s like looking at a holiday guide and thinking about where you may go, versus enjoying a cold Beck’s beer on a beach in the Caymans.

What’s interesting is the same sales people that insist that “a plan” is indeed a next step, usually sounds like “my next step is...”, as though it was state secret that could not possibly be shared with the prospect; these same people are sometimes reluctant to prepare either an account plan, and almost never see the need for having a call plan for their sales meetings, even with key meetings in big opportunities.

Of course it is not really a surprise that there isn’t always a next step when reps go into a meeting without a clear plan for what they want to accomplish during the meeting, how you want to accomplish it, and what would constitute a successful conclusion for the meeting.

We recently worked with a consulting firm in Boston. During the meeting we began the process of deconstructing their sale. They volunteered their “best rep”, the one whose skills and knowledge they wanted to transfer to the rest. He described his typical sale as taking three moths, four meetings and a couple of calls between the respective support teams. We then asked Mr. “Best Rep” what his expectation for the first meeting is, and how he would define a successful first meeting. His answer was not uncommon: “I want to understand their “needs” and “close’m”. OK, admirable, so why go back the other three meetings, good coffee?

Once we worked through it, it became clear that a number of things had to happen between the initial meeting and the close. Some had to happen in a certain sequence, others could be more random. But, it became clear that there would be no deal unless specific things happened in a given time frame; and if other things weren’t avoided, there would also be no deal. It became clear he would benefit from having a plan.

Many organizations do in fact have account plans for their "key" or "major" accounts, some for entire territories or sectors. It has always been a challenge to get reps to buy into having a call (meeting) plan. Those that do have one, seem to continuously out perform those without, and seem to earn commissions on a more consistent and predictable basis.

Let's be clear we are not talking about a big laborious exercise, but a simple way of collecting your thoughts and knowledge about the opportunity, capturing a mental checklist of what has or needs to be done; and goal for the meeting, and questions you can use to keep things on track while moving towards your objective for the meeting, all in a way that delivers value to the prospect and ensures that the meeting and the agreed on next step makes sense to them too, otherwise why would they agree.

Generally it starts with your goal for a primary next step, and just in case, a secondary next step; where you would start the meeting; potential issues you know you may have to deal with (perhaps predictable objections if you will); and some key questions to anchor the meeting and help you get back on track towards your objective. Simple and neat is the goal, a road map that allows you to take in the sights and encourages and allows the prospect to be fully involved. Always remember that at the end, the next step has to make sense to the prospect, and they want to make it happen as much as you do.

The reality is that if you do not take a few minutes to define and lay out your plan, you greatly diminish the odds of actually fully executing your plan. In fact the plan begins to resemble a hope, and we all know what they say: Hope is not a plan. And sadly a plan is not a next step.

### **THE FINE PRINT:**

Having a plan is key; executing that plan is even better. But remember the whole goal of the plan is to help you perform better as a sales person, and sometimes opportunity presents itself and allows you to accelerate or get the sale faster than your initial plan. So please make sure that you NEVER LET A GOOD PLAN GET IN THE WAY OF SUCCESS.



## Two Words You Always Want To Use To Help You SELL BETTER!

Each group or profession has a number of conventions that become deeply rooted in their ethos, some stand the test of time and prove their value to the survival of the group over time; others fall as they are challenged. There are a few which continue to be adhered to by the masses even with their questionable worth, and while a few members of the group move to alternatives, their demise is slow and damaging to the well-being of those who continue to hold fast. Sales and sales people are no different; as discussed in previous issues, the “always be closing” myth is one; the concept of “value proposition” based selling seems to have met its match with the propagation of the “Procurement” and/or the elite edition “Strategic Sourcing” class. (Never understood the strategic aspect here, please send us a note if you can explain). Needs or pain based selling is slowly proving to be ineffective, although still seems to be in vogue for many.

Another of these that is well entrenched is the whole notion of the positive karma attributed to “open-ended” questions, versus the constant bashing of “closed-ended questions”. From listening to some sales people you would think one type is divine while the other satanic. In some workshops, we see some folks stand up and brandish their devotion to open-ended questions, a sales talisman as it were. But this article is not about this, and we may take up the light and dark sides of this question in another article soon. More important is not the “type” of question, but how it is asked, and when it comes to that, the words used and the sequence are much more important than their “type”. And that’s where the two words discussed here become important.

Now how you ask a question and why, are far more important than if they are open or closed ended. So there you have them, the two words in question are: **How** and **Why**. Once you focus on understanding how a company does things, and why they do it that way, you will discover all the things you need to make a sale.

Lets cover off a couple of basics, first gone are the days when you can go in and ask what they do, with that information easily available on the web, just asking it puts you behind the curve. Same with sector specific trends, it takes literally seconds to get a handle on current trends, opportunities, threats etc. If you are talking to a manufacturer today in Southern Ontario you should be aware of the impact of a rising dollar, off-shore competitors, and what have you. With simple tools like Google News, or other more specific services, it is easy to find out what is keeping them awake at night, asking that is no longer impressive. The second is that many sales people are reluctant to ask pointed questions that go to the heart of the matter. But if you don’t ask those questions you risk missing the opportunity that lies at the heart of the matter. If the question is there, ask it!

Once you start using *how* and *why* as your lead questions you will be able to fully understand what the client is thinking, what the opportunity is, and *how* you can help them succeed. Let’s take a simple example, you know they are using a competitive product/service, most reps start positioning against the current provider. Many ask what they like about the current provider; some ask what improvements they would

like to see if they could to the current product, hoping they will find that magical difference between the two products. Wouldn't you really rather know **how** they chose their current provider, allowing you to understand **how** they make decisions. Wouldn't you like to fully understand **why** they make decisions that way, in fact **why** they chose that specific provider over the others?

We recently worked with a service provider, every company uses this service, there are three of four competitors, and while under a microscope there may be discernible differences in their offerings, for the most part customers were making decisions based on price and emotion, (really mostly price). Interestingly enough we have worked with a couple of the leaders in this area, and similarity in their sales approach was clear before we got involved. There was no point in asking if they used the product, every business does, so they all started by asking who do you use? Then what kind of program/plan/service they were on? Then the invitation to talk PRICE: "what would it take to get you to look at our service instead?" Go on; guess what 90% of prospects said? Yup, "if we got a better price", goodbye margin hello false hope (that they will be loyal to you when the next lower number comes along).

To avoid this spiral, we got the team to start and steer the discussion in a different direction. Knowing that there was a 99.98% chance that the business already had a provider, (probably the third or fourth, each at a lower cost than the one before), we got them to start by asking why they are with the provider they are using (regardless of who it was); how they chose the current provider, what went in to the decision. What began to happen is people started talking about the service, which aspects were important to them, **how** they made the selection, and **why** they ultimately went with A over B. Lets be clear, price was always part of the picture, but rarely if ever the first. Rather than focusing on what 'we would have to do to get you to switch (switching's is always a pain), the discussion focused on things that were truly important to the prospect because we were getting to talk about **how** they make buying decisions, and **why** they choose to be where they are. Knowing those things we can position our service in a way that will make sense beyond price.

As always, asking *why* and *how* questions help you understand the individual you are working with, not just the organization, how they think, what may motivate them, and most importantly where they are in the decision hierarchy. We always hear from reps who are frustrated by the difficulty in finding the real decision maker, or spending time with someone who lead them to believe they were in fact 'the' decision maker, who after having invested time and energy is not. Again, here asking *how* and *why* will reduce the stress and help you find the right decision maker. A long time ago we learned this simple sales equation:

**How + Why = Who**

If you know how a prospect organization makes decisions, you will inevitably learn who needs to be involved in that process, and what their role in the process is. So if the last five times they bought a service like yours, the person you are working with

met with all the vendors, based on criteria from their boss, then introduced the top two vendors to the boss, who then chose the provider with input from the CFO, how likely is it that this time will be different? So by knowing **how**, you will also know *who* was really deciding. If you asked **why** at the end of the process they chose to go with their current provider, you will know *who* you have to engage, even if indirectly.

At it's core, Objective Based Selling is a method that strives to understand the clients'/prospects' objectives so you can better help them achieve their goals by using your product/service, and using the power of *how* and *why* as the heart of the discovery process, will ensure that you not only have a better understanding of what it will take to win, but a more engaged prospect. You will attain customers more willing to share greater insight based on your ability to solicit it, and help them benefit from it. So before you get hung up on open ended or closed ended questions, think about how and why you are asking the question to begin with.



## Strategic approach to all accounts

**A** strategic approach need not be limited to National or Major Accounts only. Unless your sales are 100% opportunistic, a strategy is always key to the managing all sales in the territory.

This may seem straight forward, but there are many sales people who either do not have a strategic approach at all, or apply only aspects of a strategy to their accounts and territory. A successful strategy involves four key elements:

- **Time Management**
- **Planning**
- **Information/knowledge**
- **Execution**

The absence of a strategic approach will have an exponentially detrimental effect on success; none of these are new to most sales people, but applying all four in a way that leads to desired results continues to be a challenge.

**Time Management** is an issue for all business people. The reality of business today is that most of us are trying to pack 18 hours worth of work into a 12 hour day, which means some things are just not going to get done. There is a lot of truth to the statement that there is no such thing as time management. After all how can you manage time? There are 60 minutes to an hour, 24 hours to a day, 365 days in a year, and only 1760 "Prime Time Hours" vs. "Discretionary Hours" in a given year. If you find a way to change that let me know, in workshops, I often hear that participants wished that there were 26 hours in a day. The answer really lies in prioritizing and owning your time.

We have all seen sales reps who resemble a pin ball in play, they get a call from a client and they roll one way; a question from their manager and they roll the other way; a request from a prospect, and they are rolling up table again. In fact, when it comes to prospecting, one of the most often heard rationalizations for not prospecting, is lack of time.

Taking charge of your time is best achieved by managing you activities, once you have a handle on what activities are tantamount to success, which are distractions and the time eaters, and then you can begin to prioritize and take control of your time. You may also find that you only have to pack 14 hours in to that 12 hour day, but you will know the activities you have prioritized are getting done. This will quickly be validated by the results.

One way to start this process is to sit down at the start of year, and sketch out what the **real** activities needed to succeed, what percentage of your "prime time" should be allocated to each type of activity, and use that as part of you prioritization process. You may find that 30% should go to prospecting, 40% selling to qualified prospects, 20% to account management and up selling, etc. On a quarterly basis you should review your "ideal allocation" to make sure it is still realistic; if it is, then see how your

time allocation is tracking vs. the ideal. One caution, don't change the ideal to suit your reality, change the reality to achieve the ideal. There are a number of other tools we have introduced to our clients to help them address this issue.

Of course to be able to deal with the Time Management issue, you need to have a handle on **Planning**.

**Planning** is one of the most often ignored elements, what funny is that even those who do proactively manage their time, fail to allow time for planning. It is worth noting that it aligns around three key areas, territory, account and meetings. As with all the elements discussed here, they are all interconnected, and planning without proper information will not give you full benefit.

At the territory level, it is important to remember that you should focus on your best opportunities, which are not necessarily your best accounts. Many reps confuse current value with potential value. As a result they spend their time and resources on accounts that are fully valued, primarily based on the fact that they are already spending large sums with you. The concept of best customer leads many reps astray. If your largest account spends \$100,000 a year on your product/service, has done so for the last five years, but there is little prospect that they can or will increase their spend in the next two years, then they are really a low potential client, and should be viewed and treated as such.

Reps often protest, saying that if they don't respond to that client, consequences can be bad. As a result they spend a disproportionate amount of time and resources on these accounts. At the other extreme are those accounts that spend little with you year after year, say \$10,000, when they are in fact spending over \$100,000 in total with you and your competitors. There are two types of clients in this group, bad and good. The bad ones are the ones that will never spend more than \$10,000, but keep you busy with requests for service; and meetings to discuss very little revenue related issues, etc. Studies have shown that these accounts, that make maybe 25% of your revenue, can consume upwards of 60% of your time and energy, with little or no potential to increased revenues. Interestingly, the same studies show that your \$100,000 accounts are considerably less demanding than the low spend accounts.

The good ones are those accounts where you could, with proper effort, increase revenues substantially over the course of the next two years. But you don't have the time, because you're responding to the calls from the low/no potential accounts, convincing yourself that it is important to service your accounts. You have to take the time to assess your territory, and make sure that you are indeed spending time with potential accounts.

To successfully achieve the above, you have to plan at the account level, learning which do truly have potential and which don't. What are they buying from you and what are they buying from the competition; where can you introduce related products/services to meet their needs and increase your revenues. You have to make the uncharted, charted, which takes us to **Information/knowledge**.

**Information/knowledge** – Sure, everyone knows that you have to know your customers, be informed, but often we are not, at least well enough to win. Too many sales people rely on the customer/prospect for their knowledge of the accounts. Simple things such as organizational charts are not included in the account plan; sometimes there is not even an account plan. Lack of awareness of the client's corporate objectives makes us prey to the objectives of the individual or individuals we are selling to, whose objectives may not align with the corporate objectives. These are just a couple of simple things that impact one's ability to sell more into an account. It goes without saying that the time and effort you invest learning about the entire account, needs to correlate to the true potential of the account, but we are continually surprised by the complete lack of knowledge of key things that impact an opportunity.

For example, we recently did a strategic planning session for a client. One of their key accounts was currently spending \$2 million across three of their six product lines. Based on work with the VP of sales, and research it was very realistic that their spend could more than double over the next three years, at the moment our client represented less than 10% of the account's total spend in these areas.

Throughout the session, the account rep did not know basic facts: where in the decision process was their primary contact, what was the buying process, who else the client was dealing with, and who other contacts were that could influence matters. He had a good relationship with someone at the lower end of middle management "who has and will look after" him. Last year they lost revenue due to a switch in one of the lines, while they were able to make up for the revenue, he was unable to say why they lost the business to someone else, who they lost it to, who made the decision, just knew that it was lost.

It is easy to sit there and say that this is isolated, but in reality it is not. Just look at any ten account plans at random and you will see. Getting this information is not hard. Questions will get you answers, good questions will get you good answers, and planned questions will get you results. This brings us to pre-meeting planning. If the meeting is not planned, neither is the result. A few simple things go a long way. Key objectives for the meeting (not the whole account), ask a lot of sales people what their objective for a meeting is, and you get to close business. If you plan your objectives, you can plan your next step, and you can plan the questions needed to get you there.

One area of planning that we did not touch on above is the action plan. Again, many of you have sat with your sales teams, discussed accounts and territories at length and still concluded the meeting without a clear cut action plan. Without a specific action plan, **Execution** is less likely, it does happen, but with greater effort and over a longer period than with an action plan. Once you have created a plan, based on complete information, you have to create specific steps to implement the plan. You will do specifically **WHAT**, as clearly quantified as possible; by **WHEN**, day, time, and what happens if not by then; **WITH WHOM** and what is the desired **OUTCOME**. As long as selling continues to be part science and part art, you can't ignore the strategic process needed to succeed.

## CRM: Culture or Technology?

I was recently asked to present on the impact of technology on sales, has it helped, in what way, or has it had a negative impact?

After examining the issue with some colleagues and experts in the field, it became clear that technology is an enabler, and as such amplifies what is already there, and what is not.

I don't think that there is anyone in sales today that has not heard of, used or been impacted by a CRM package of one sort or another, be it a simple contact management application with some added functionality, to a top of the line CRM that fully integrate with other enterprise applications. Many companies will tell you of the disasters they have encountered rolling out a CRM, in fact an article in the February 1, 2002 *Harvard Business Review*: **Avoid the Four Perils of CRM**, stated that "55% of all CRM projects don't produce results", and went on to say that "According to Bain's 2001 survey of management tools, which tracks corporate use of and satisfaction with management techniques, CRM ranked in the bottom three for satisfaction out of 25 popular tools. In fact, according to last year's survey of 451 senior executives, one in every five users reported that their CRM initiatives not only had failed to deliver profitable growth but also had damaged long-standing customer relationships."

Yet by November 2004, one of the same writers in an article entitled **CRM Done Right** stated: "senior executives have become considerably more enthusiastic about CRM. In 2003, Bain & Company's annual Management Tools Survey of 708 global executives found that firms actually began to report increased satisfaction with their CRM investments. In 2001, CRM had ranked near the bottom of a list of 25 possible tools global executives would choose. Two years later, it had moved into the top half. In fact, 82% of surveyed executives said they planned to employ CRM in their companies in 2003-a large jump from the 35% who employed it in 2000."

While the piece went on to suggest a number of factors, we've experienced a number of key things in our work with clients that are worth noting.

First, we very much believe and have seen numerous examples to support the view that Customer Relationship Management is a way of doing business. Most of our successful clients have a consistent view on Customer Relationship Management.

To them CRM is part of their culture, part of their corporate DNA. They see CRM as the proper alignment between software and process to effectively manage their relationships with their customers. The alignment is based on objectives:

*Corporate objectives drive the sales organization's objective; which in turn are the foundation for regional/territorial objectives, and client objectives; when properly executed, these objective form the basis for each client/prospect interaction.*

It is as much about process as it is about software. If you don't create a balance and alignment between the two, you will fail to manage the relationship with you key customers, and not derive much benefit from your investment. In fact a company we know has spent in excess of \$13 million dollars over the last 5 years implementing a CRM software with little tangible results to show in improved sales, increased productivity or understanding of their clients and how to mutually improve their relationship.

A study recently showed that over 80% of the CEO's surveyed said their sales organization had a process that was poorly defined or a process that wasn't being followed. A sales process is like a good map or a GPS if you will. Used properly it helps you determine where you are, if you are in heading in the right or wrong direction, also helps you plan what your "next step" should be to get to your destination. A well defined sales process gives a sales organization the same advantage. It should have logical and defined steps that allow both parties to develop a better understanding of each other and a set of questions that help you qualify or "disqualify" an opportunity.

When we meet with a new client we always enquire about their sales process. A VP we recently met responded: "why yes of course, we use XYZ" (we leave out the name of the specific software to protect the innocent, us). Yet he openly admitted that he struggles with forecasting, prospecting, difficulty distinguishing strategic sales from opportunistic ones, and his people were spending too much time with unproductive activity, in the little activity he was able to glean from the system. (Unfortunately no software will pick up the phone and do a cold call, I'm working on it.)

The clients who do use the software to support their process tell a different story. Activity is focused on the client experience. It is still true that getting new business from an existing client, is much more cost efficient than from new prospects. No I am not saying you should stop prospecting, but don't ignore those that have rewarded you with their business, show them some love, make it easy for them to deal with you, and hard to leave you.

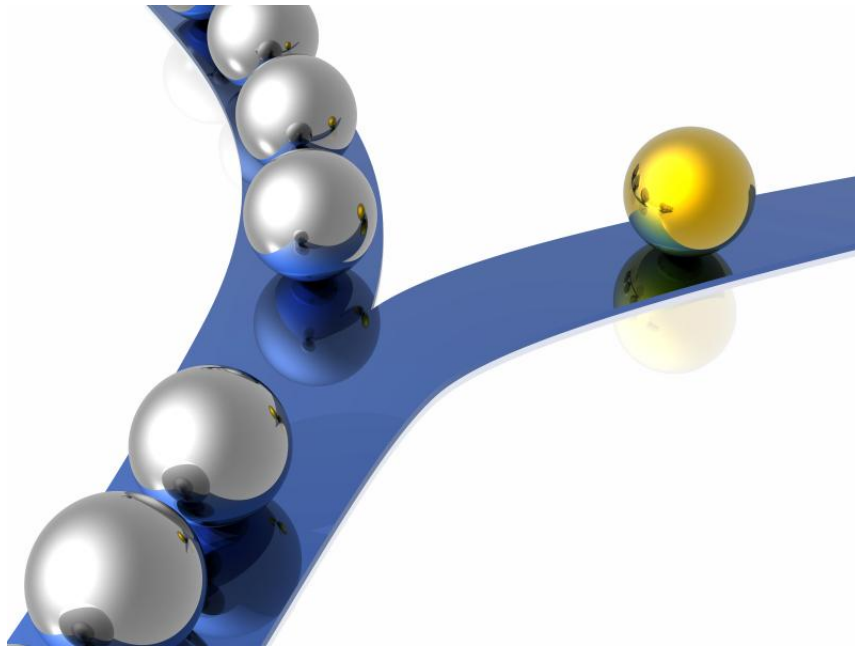
A good CRM (software and process) provides you with a complete view of the client, allowing you to align your resources to maximize results for both. Reducing service calls, reducing time to respond, reducing the effort to take orders, reducing the cost of sale, increasing their satisfaction level and creating a mutual economical value add relationship.

The data available to you will also help segment your clients better, allowing you to decide where you want to put your focus, and which clients you may want to off load. Remember that some 30% or your lowest margin clients suck over 50% of your resources. A CRM done right can assure that you are retaining the right clients.

CRM system can also break down hierarchical communication barriers allowing everyone, not just sales to focus on the customer relationship, allowing top executive to get involved in meeting client expectation and driving revenue. Of course this will

only work where the CRM culture is present. And in many companies that have rolled out the software without the process, without the training, without the internal value proposition, it is not. As stated earlier it in fact diminishes the client relationship. Many companies are experiencing push back from the front line because they failed to show the ROI to the users. Like the clients sales reps want to know what's in it for them. There is a lot, if there is a supporting process focused on everyone's success, the company, the rep, the client. This can be achieved with a sales process that aligns around key objectives.

One last thing to consider, CRM systems are usually associated with sales organizations. But client satisfaction is the function of the whole organization. A truly successful CRM extends beyond sales to all groups within a corporation, and as such, a key success factor is the alignment of the sales process with other processes impacting the client relationship.



## Renewing Your Accounts

This time of year we hear a lot from our customers about their focus on renewing accounts. This focus takes different forms based on where the client is vis-à-vis their annual revenue goals (for simplicity, let's assume that all, not most, fiscal years line up with the calendar).

For those who are fortunate, and are exceeding their goals, this focus is on how to maximize relationships, and use renewals to take things to the next levels. In fact some VP's we speak with are closely looking at their clients and actively "firing" their least productive accounts. This could be based on margins, high demand on resources and maintenance and other reasons, all with a view of creating capacity to help their sales reps focus on those prospects and clients that will deliver mutual benefit to the company and the reps' success.

For others the reality is very different, renewal of key accounts is a double whammy. Some, like one account we encountered, were looking good towards the end of Q3. Based on the mid-September forecast, they would be at about 106% of goal at the end of September. They got there by getting some, but not many, new accounts, while growing some existing ones. But over the years they fell into a pattern of assuming that a large percentage of renewals happen in the last six weeks of the year. They had come to think of the pattern of as their sales process. Their culture condoned ignoring existing accounts till October, when they would gear up for the six week "renewal run" (their words, not ours).

September 27th the bomb hit, a significant account gave their cancellation notice in order to avoid the 90 day evergreen clause in the contract. They closed the quarter at 97%. This wasn't just because of the one account, but it had an impact on morale beyond the one account. Doubts and insecurities intensified as the pressure to "close" accounts grew.

A familiar battle cry was heard from the managers: "you need to prospect more". But consider that one study showed that "47% of executives say the sales teams allow leads to fall through the cracks". The cancellation had a broader impact than just that one account, significant as it was. Based on history, most of the accounts that did renew during the "renewal run" usually did not increase their contract, a few did, while others simply cancelled; the end result was usually a 93% renewal rate.

Their close ratio for new accounts was generally average, a problem many companies face, and "53% of executives say their sales forces perform worse than or only as well as their industry peers". All tolled, with a weak pipeline and time running out, looks like another "almost" year.

In many ways this is better than the other whammy, those companies that are at say 85% of goal going into November, and then fail to renew some of their accounts, lost! There are ways to avoid this cycle, but it takes effort and discipline many sales organizations are not willing to apply.

We have all heard sales people tell prospect “our success is based on relationships, for us the hard work begins after you sign”, and at the time they are saying they are not intentionally lying, they just don’t follow through properly.

While companies regularly send welcoming notes or letters to new clients, few sales people do. And while today sending an e-mail is easy, many don’t even do that. To truly stand out we recommend a hand written note acknowledging their decision and trust in you; that personal touch communicates so much.

Often sales people forget that the person who bought their offering is often not the end user, yet they continue to focus solely on that one person, casting the end user to customer service, without a proper hand off. While many don’t mean to, they end up taking the end users for granted, failing to appreciate the influence they will have at the time of renewal. A small amount of effort at this stage could lead to a different experience for those users.

Many companies have implemented a formal account reviews with their clients. Some do a great job, using the opportunity to have a frank and open discussion with “all” the client, not just the initial buyer. They are open to hearing clients’ issues, getting feedback that would make the user experience more satisfactory, and as a result improve their product for all their customers. These meetings are an opportunity to share with clients any upcoming product initiatives and upgrades, again getting feedback as valuable as any research they may buy.

But there still too many sales organizations that use these meetings to sell, sell, sell, dumping dumping, dumping; data about usage with no context of value or satisfaction; dumping specs about new feature, and well, in a word, dumping. They are looking at the event as an obligatory chore to meet some KPI, rather than an opportunity to really strengthen their relationship with their clients.

Use of the companies CRM can not only facilitate the above, but make it easy for a rep to truly stay on top of an account. Using entries captured by other parts of the company, customer service, parts, tech support, etc., as reason to reach out to their clients. These can be very simple things, but will allow you to confirm their satisfaction and needs, while showing them the same "love" they did during the buying process.

There are other things that come in to play, but at the end, renewal is selling. It involves a process, it has a start, an information gather phase, presenting, and winning the business. Just as you can’t show up and get the sale, you can’t just show up and get the renewal. You have to set objectives, focus on the clients’ objective and put in the work.

## Triple your sales

No magic dust, no having to sell your soul to the devil (although sometimes it feel like you have), just some basic practices consistently applied. **T**rack – **R**evue – **I**ntensity – **P**ersistence – **L**everage – **E**xecute.

**T**RACK: It is amazing how many sales people do not know how their sale breaks down. You ask them “hoe long is your sales cycle?” I can’t believe how many times they respond depends. It has come to the point where when ever we hear that in a workshop we give them a discount coupon for the product Depend. Ask them how what their closing ratio is based on the number of proposals presented; how many prospects they need to engage with that will lead to (real) proposal; how many people they initial have an appointment with that turn into (real) prospect; the answer is usually depends. OK, depends on what? You know what they say? Depends!

If you are not tracking your activities, conversion rates, use of time and resources, how can you know how well you are doing and what you can change and improve. I recently had a participant in a workshop tell me that one of the practices we presented does not work. Well we want to help, so we ask what the related ratio was, he told us he does not know, “how does it compare to results you were getting before?” He did not know, not only was he not tracking what he was doing now, but never tracked what he was doing before. It turns out his company was tracking his revenue, and he was a distant last on his team. In this case it was clear that he wasn’t doing much, which explained his results, but had he been tracking elements of his sale we could have addressed specific aspects and put actions plans in to effect to help him.

Every profession and the leaders in that profession track what they are doing. Some reps tell me it is too time consuming, it isn’t. Tracking the basic elements mentioned above, or a handful of others we has seen reps capture, adds at best five minutes to one’s day, a small investment for ongoing success.

**R**evue: Now it’s going to be hard to review if you do not track, but there are always stats and data that can be examined for improvement and gain.

The hallmark of any successful professional athletes, lawyers, finance professionals, is their continuous quest to improve, grow and develop; how many time have you heard the fat neck guys say they were reviewing the game tape? True professionals conduct a regular review of their goals, objective, changing environment, and their activities.

As a sales rep you want to review your account plans, activities conversion rates, if fact all things that you can impact your success throughout the sales cycle. This does not have to be a laborious process, just an effective means of driving efficiencies. One of the best sales people I know runs through a checklist after every meeting he has, he then jots down three things he did well, and three things he could have done better. His goal is to make sure that the things that make his “did well” list are those that were on the “not done right” list from the last meeting. He insists that since he sells an intangible, the only thing that will make a difference is the way he sells, not what he sells.

**I**ntensity: Like it or not sales is a contact sport, if you are not prepared to “bring it” and in the most intense way, you may as well stay at the office, file some brochures! Too many reps take a much too passive approach to sales, or worse they put all their focus on the “relationship” While we have talked about the over blown notion of “relationships”, all too many sales people are drawn to the soft side of sales, forgetting that winner is the one that gets the order and keeps the clients year in year out.

Give me a rep with a passion for what they are doing any day. All too many reps spend more energy rationalizing their anemic performance than they put into the sale in the first place. Energy, drive and focus are integral to consistently delivering results.

**P**ersistence – Along with Intensity, persistence is a much under-practiced art. You need to stay with it, and maintain your intensity. As we have discussed in the past reps tend to give up on certain sales situations much too early, especially above the funnel, when prospecting and early in the sale. The challenge is to know when to stay with it and when to step back. Many reps tend to either pursue everything, which not only consumes a lot of resources and energy, but also leads to frustration because they can’t get everything done. They focus on too few things, which lead to anemic pipelines and results. The alternative is they do give any opportunity a full chance. The key is to know what to persist with and what not. By having a proper process for managing their funnels and a systematic approach to their sales supported by their specific metrics, they can take control of their results by managing their actions.

**L**everage – Everything you can! There are so many opportunities for reps to gain advantages in the market, but they don’t. They don’t leverage tools, relationships, references, processes, peers, managers and most importantly learning and knowledge. They go on about their days doing things as they have, instead of utilizing all the resources available to them to win deals. Partly it is because they spend too much time in reactive mode, this limits their ability to plan or even be aware of all the things they could leverage to move sales forward. Partly it stems from the fact that they begin to believe the hype around their own capabilities and stop looking for alternate way of getting sales done.

**E**xecute – Just Do It! Most times the root cause of low numbers or unfulfilled targets come from a lack of action. Nothing more – nothing less. They have the skills, they have the tools, they have the support, and they just lack the will or motivation, or whatever it is that just keeps them from doing it. At times it is a question of time management, and they just run out of time, having spent (squandered) the precious resource on none essential things. Sometimes it is caused by a lack of drive, high base.

## Management by Osmosis

Sales managers are an interesting breed, effective sales managers are a rare breed. Managing a sales team is entirely different than managing other groups; their role requires them to have not only above average management skills, but also above average ability to manage the overall sales process. However, in many organizations, the weak link in the sales chain is the front line management.

Yet when most organizations look to fill openings in sales management, they generally look within, that is promoting someone that is already selling for the organization in question. Further it is usually someone from the region where the opening exists. And who do they go to, usually to one of their top performers (assuming that the individual is willing to take the position, and most are).

The logic seems to be: Jane has done consistently well, achieved quota for the last four or five years; she is personable, gets along with the clients and everyone else in the office, it's a great fit. Completely forgetting (or ignoring) the key and desirable attributes of a Sales Manager, you know the ones they drew up with HR and an outside facilitator at an "off-site" last year, the one that would bring about a change in the way they will hire managers moving forward.

Remember attributes and dimensions like:

- Leadership
- Communication
- Influence
- Relational Creativity
- Interpersonal Skill
- Strategic Thinking
- Forecasting
- Recruiting Prowess
- Conflict Resolution
- Proactive Planning
- Goal Setting
- Coaching (Their whole team, A, B and C players)
- Ability to conduct meaningful meetings

"All good things, but I need to hit my numbers, and I can't waste time, Jane is good, and I can work with her" Says the sales Director. (Cause he just doesn't have anything else to do.).

Many feel that bringing someone from the outside "may disrupt the culture" and the pay off may be too long. Jane has the product knowledge, familiarity with the staff and other departments, and of course, the "corporate culture". So for a number of intuitive reasons they short list internal candidates, and usually go with one "they all like". For entirely the wrong reason, external candidates are often overlooked.

And that's how we end up with Management by Osmosis.

It manifests itself in two ways, first in the way managers are transitioned from the being sales reps to managers. Second, is in the desired effect on their staff.

Once Jane steps in to her new role, and is brought up to speed by the Director or VP of sales, she is whisked off to the company's Management Training Program, where she meets her peers from other departments, various HR personnel, VP of marketing, during her three days of exhaustive training about:

- Proper Interviewing Skills/Equal Opportunity – 2 hours
- Harassment Policies – half day
- Performance Management – 2 hours
- Process and Benefits of 360's – 2 hours
- SMART – 2 hours
- Motivation – 2 hours
- Multicultural Sensitivity – 1 hour
- Mission Statement Analysis – 1 hour
- Protocols and Process (of all sorts) – half day

Some team building exercises to close, a certificate, and a cocktail. All good things, but not much specifically aimed at sales management; little focus on the list of attributes and dimensions. In some cases there are some programs aimed at developing these skills, usually left to the discretion of the senior executives in sales. In most cases, it was felt that Jane would learn the skills from the same senior executives: hence, by osmosis. During field visits, where between pipeline and account reviews, development would of course occur. Why, just think of all the development that takes place on the way to and after client calls. You know, when they take the visiting sales Director to their best client; or the client that is almost closed, but where the Director can make a difference, (read grant a greater discount or other concessions).

It is true that some of this osmosis does happen to a degree, the problem is it lacks structure and a means of measurement. Success is ultimately measured only by the numbers delivered, not much focus on methodology and sustainability. We have all seen cases where a region makes its numbers, but mostly in spite of the skills of the manager as a leader, coach, etc. And while everyone above and below Jane acknowledges the issues, you can't argue with the numbers. Only after some A people leave, and C people fail to advance and the numbers fall apart do questions start. Then the realization that Jane needs to develop some specific sales management skills, and finally someone asks, "What happened to those dimensions and attributes we drew up, didn't she get the training?"

The other side of Management by Osmosis takes place in the development efforts of Jane for her newly acquired staff. I recently trained a newly appointed sales manager; he told me his Director told him: "if I could sprinkle a little bit of you into everyone in the region that would be great." The Director told me his plan was

simple, to be successful, all that had to happen was for him to do what he always did, the other reps would watch, learn and end up like him. By spending time with them in the field, they would adopt his habits and skills, and would all achieve the same results, by osmosis!

He was not given any training on how to properly develop members of the team; how to set up metrics or score cards (other than the resulting revenue); how to motivate and coach his A reps versus C members; how to set goals and plan meetings; what to look for in new recruits (look for people who are like you, he was told); how to effectively communicate with members of the team and other departments, you get the picture. Not to mention the fact that he was selected over another rep in the office, and had little help in how to deal with the bruised ego the decision created.

While we are very much in favor of promoting internal candidates, rewarding success, and creating loyalty and incentive, it is important that it is done right. Training is crucial, while most organizations are ready to spend time and money for ongoing training for front line reps, there seems to be reluctance on spending money for managers. When we present our Manager and Coaching programs, organizations seem to point to internal programs (as outlined above), and other reasons for not moving forward.

We often point out that the ROI on training managers is greater than on dollars spent on C players, and have a longer and more sustainable impact on sales success and growth. But in most instances they seem more willing to just train the reps, all of them A, B and C reps (more on this concept in future issues). At times even saying that they feel their managers are challenged in a number of areas, but they first want to work on improving their reps, then deal with the managers once the numbers are better. Unfortunately, the reality is that unless you address all parts of the issue, you will likely not get the long term results and benefits your sales organization could consistently deliver.

## About the Author

### Tibor Shanto

**tibor.shanto@sellbetter.ca**

**Principal**

**Renbor Sales Solutions Inc.**

**Tibor's Blog**

**416 61-3555**

Tibor Shanto has over 20 years of sales, executive, leadership and sales operations experience in financial, information, content management and professional service industries. Prior to Renbor, Tibor Shanto spent 10 years with Dow Jones, including 5 with its subsidiary Factiva. After opening their Canadian office and building a solid team and revenue base with double digit CAGR, Mr. Shanto was appointed Sales Director for Canada and The Central USA; before leaving he also headed their Global Client Solutions organization.



As Principal of Renbor Sales Solutions Inc., Tibor works with leading corporations in [Canada, USA and the UK](#), helping these organizations realize sustained revenue attainment through improvement in sales strategy and execution.

His areas of expertise include:

- Strategic Planning and Goal Setting
- Management Coaching
- Consultative Selling
- Business Origination
- Selling to Executives
- Sales Funnel Management
- Modeling Sales Excellence

Before to Dow Jones, Tibor served as the Manager for the Globe and Mail's Report on Business 1000 data base, has held various positions in selling and providing financial services with organizations including TD Bank, Bendix Foreign Exchange, and MMI Group.

### **Educational Background**

Mr. Shanto holds a Bachelor's Degree from York University, Toronto; has completed the Canadian Securities Course; has completed numerous leadership, sales and sales leadership programs.

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