

Escape the Numbers Trap: 4 Steps to Target Prospecting for Increased Sales

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If yours is like a lot of sales organizations, you may have intensified prospecting efforts lately as old customers downsized, cut spending, and in some cases went out of business altogether. The problem is that prospecting is often time-consuming, costly, wasteful, and hard on the morale of the sales team. Why? Look at some of the typical tips for successful prospecting: "Schedule a minimum of two hours a day for phone calling." "Spend the first 30 minutes of each day making at least three calls." The idea is that if you make enough calls, sooner or later a certain percentage will result in meetings, and a certain percentage of those will eventually result in sales.

The fundamental flaw in this strategy explains why most salespeople hate prospecting: they hear a very large number of "No's" for every "Yes." If the great majority of their calls are to people who have no interest in their offering, then the time they spend has little effect other than to lower motivation and drive up the cost of sales.

Consider another set of numbers: as a rule, the ratio of unscreened "suspect"-to-prospect ratio is 10:1, with a prospect-to-sale ratio of 3:1. This means that the suspect-to-sale ratio goes up to 30:1. With this low rate of success in reaching real prospects, little time or energy is left over for the actual sales calls that bring in revenue. This is the "numbers trap."

Yet clearly, it's vitally important to maintain a healthy pipeline of prospective business – especially when established customers are cutting budgets and delaying spending. So what's the alternative to the traditional "dialing for dollars" approach?

STEP ONE: STOP CHASING NUMBERS

Well-prepared, experienced professionals do not waste time calling on weak prospects. Their solution is to identify the strongest prospects first – by adopting a very different strategy focused on quality rather than quantity. By investing a little more time upstream, the yield downstream is not just a larger number of prospects, but a larger number of *good* prospects. These are the ones who are not only more likely to buy, they are more likely to buy from you.

The secret? Find the customers who meet two simple criteria: They are good for you, and you are good for them.

How to do it: ... with Filters



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STEP TWO: IDENTIFY QUALITY SUSPECTS

Rather than placing every possible company in a territory on an indiscriminate list of suspects, a screening process should take place. Based on the first of the criteria mentioned above, ask, “Which of these candidate prospects are most likely to be good for us?”

To answer this question, each “suspect” company should be carefully vetted through pre-call research, and compared to a profile identifying what’s most important for your organization in predicting the probability of a sale.

For example, you might be asking whether there is evidence that a company:

- Matches your economic and strategic priorities
- Has the right level of profitability and a probability of buying from you
- Matches your industry/market segment requirements
- Is in the right geographic location
- Has healthy annual sales/net income and is the right size
- Has the budget and ability to spend for what you sell

Once these questions have been answered for each suspect, the list should be sorted, and companies that don’t meet the “good for us” criterion should be discarded. The remainder will constitute your short list of potential prospects.

By putting in the time to develop this higher-quality list, your salespeople can make earlier “go/no-go” decisions that will help them avoid expensive efforts to contact customers who are never going to buy from you.

STEP THREE: FIND YOUR HIGH-QUALITY PROSPECTS

Remember, to make the short list of strong suspects, a company has to match the profile that describes a good prospective customer for your organization.

Before qualifying as good prospects, your suspects need to pass the second test: Are you good for them? This requires asking a different set of questions, focused on understanding how you can deliver high value a customer would be willing to pay for.

As a prerequisite to developing a final list of good prospects, your sales team should be able to answer the following questions:

- What’s our unique value?
- What business problem do we solve?
- What are they able to do with our solution?
- What do we improve or increase? What do we decrease?
- What’s important to the customer?



Once the answers to these questions are clear, they should be linked or matched to each suspect on the list, and when a good match is found, that company should be promoted to the prospecting list.

STEP FOUR: SELECT THE “QUALITY FEW” TO CONTACT

If good information has been gathered to answer the critical questions about each potential suspect, the outcome should be a good, high-quality list of prospective customers. These are companies that have a high probability of being able to buy your solutions and are also likely to receive high business value from your solutions.

When your salespeople use this approach to select a small number of well-qualified companies to call, based on these criteria, they will be far better able to make a credible business case for a meeting. They are more likely to be granted an appointment for a real sales call, rather than wasting their own valuable time and that of a contact who has neither the budget nor the interest required to justify a conversation.

The result of escaping the numbers game is to decrease the suspect-to-prospect ratio, increase the prospect-to-sale ratio, and achieve an overall increase in the value of each new sale.

“Usually lumped in and buried with the total cost of sales, prospecting can represent anywhere from 25-50% of total cost of sales. It’s a bigger number than most believe.”

Emsbuyer.com

ABOUT THE AUTHORS

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To learn more about the concepts shared within this article and how Wilson Learning can assist you in addressing these issues, contact Wilson Learning at 1.800.328.7937 or visit wilsonlearning-americas.com.

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