

PROSPECTING

IDENTIFYING & DEVELOPING NEW OPPORTUNITIES

PREPARING FOR THE INITIAL CALL



A Vast Ocean of Opportunities

Opportunities Abound

You have a territory that has hundreds of potential customers. Your Marketing Department just enlisted a new online Business Intelligence tool that provides a plethora of market information, industry news, and real-time information on new potential opportunities. You receive a report that has detailed information about many of the companies in your region and you begin to ask yourself : “ Where do I start ? Which companies do I contact first ? Who should I call? How should I approach them?

Where do I start ?

In reviewing the information you identify a list of companies that you don't do business with today, but where you've always wanted to get in the door. You get excited, you contact them to try and schedule a meeting, but your voice messages and emails go unreturned. You keep calling, but never get any response. Is it because the prospect didn't have a need, or because your approach wasn't effective ?

Information Saturation

Customers today can go online and find any information they want about a product, service or technology.

Thru the use of Facebook, LinkedIn and other social networking sites, sales people and marketers are finding it easier to find potential customers and get large focused mailing lists. They use Constant Contact and other services to send emails to those lists on a frequent basis. End-Users who could hide before are now easily found and barraged on a daily basis by salespeople and marketers.

For example, I have a friend whose wife is an Executive Assistant for a doctor at a leading research institution. When she started her new job, her boss had 20,000 emails in his Inbox. Most were from sales people or marketers. Her phone also rang constantly with sales reps trying to get an appointment. So I asked her “how do you handle all

those calls / emails?" And more specifically, "who do you and your boss actually agree to see?" She told me that most of the emails were deleted and the calls ignored. The reason was that they were from salespeople trying to sell them something they didn't need. To quote her " they just got our name and started trying to sell. They had no idea what we did." She said they were just wasting her time because "before making the call, none of Reps took the time to learn about us or what we might need ."

This example is one of the many reasons why we recommend doing pre-work BEFORE you embark on a prospecting campaign to that large list of new prospects you just got from marketing. The pre-work should include: *reviewing the prospect list* and *prioritizing who you want to contact*. Then completing some *preliminary research* before making the first call.

What kind of Research?

The research you want to complete should be similar to what you would do before submitting your resume for a job application. Think about it - you would want to know: Are they a good company to work for ? What do they do ? What products do they make and what markets do they serve? Is their business growing? What do they need to improve their business and what contribution could you make as a new employee ? Your research would then help you prioritize which companies you would pursue for a new job.

Well the same holds true for picking the companies you want as customers. Your research should help you identify who would be your ideal customers. You would want to find customers from an industry, market and geographical standpoint that are a logical fit. Additionally you would want to identify their corporate culture, their willingness to develop customer -vendor partnerships, and their position on buying on value vs. price.

Sources of Information

There are a wide range of resources that can be used to gather information. In addition to the various Business Intelligence services that are available, you can use: company

websites, annual reports, technical publications, press releases, mission statements, other customers, trade association databases, exhibitions, a customer's presentation at a trade show, friends/family/private network...

The right research will uncover information about the customer, their markets, business, and corporate culture. This leads to an understanding of their business issues and goals, and how you and your company might help - which is vital for developing a *targeted prospecting script* that will be used in the initial contact.

Develop Trust & Competence

Before getting started on the next steps, I want to mention one key point - *People buy from people*. It's that simple. No matter how much information can be gained online, if you are selling a product that is more than a \$ 15 widget, you need to be able to demonstrate *competence* and earn *trust* in order to move the sales process forward.

Developing trust is not a fast or easy process. It takes time. But there are steps that you can take during an initial call with a customer, that will allow you to take the first step - which is to demonstrate *competence*. And the key to developing competence is *knowledge* and *experiences*.

You need to be able demonstrate to the customer in a very simple statement that you have knowledge of their *company* and *industry*, and that you understand their current *corporate* and *business issues*. This can be accomplished by sharing experiences where you and your company have helped similar End-users in the same industry solve a problem they have today.

If they accept those statements, they are in fact starting to accept you and your company. They are agreeing that you are competent to discuss their business needs, and will allow you to ask questions and enter into broader discussions with them.

As you begin working together, you and your company will be tasked with doing a lot of work. And whether you are just following-up on an information request, or successfully completing a demo that proves your company can help them solve their business issue, you are on in the process of developing trust.

Unfortunately, during your brief initial contact with the prospective customer, you won't have much time to demonstrate competence or earn trust. The goal here is to get past the first 30-60 seconds and earn the right to have a broader conversation. Once that happens, you will have earned the right to ask questions, and expand on the topics brought up in the initial part of the call.

Think about the Telemarketers who used to hound us before we had the "Do Not Call Lists". My phone used to ring all the time with someone trying to sell me something. I remember one instance where a guy called saying he had an investment strategy that promised to deliver 2-3 x growth in the next 12 months. Sure I wanted to make big \$\$, but my first thought was " who is this guy, and how do I know he knows more about investing than I do ?"

Now if he had shared some information regarding his knowledge and experiences working with other people at the same financial level as mine, and how he worked with them to generate significant portfolio growth, I would have listened further.

He would have "earned the right to sit at the table" because his knowledge and experiences would have demonstrated some competence that would have made me feel like talking to him wouldn't just be a waste of my time.

Prospecting

So where do we begin ? Prospecting is like fishing. Would you use the same bait, same approach for every type of fish regardless of whether they are in fresh or salt water ? Never. You would to select the right lure or bait, for the type of fish you wanted to catch and then present it the right way. And you would use a *process* like casting or trolling to get the bait out there. It's not too different with prospecting for customers. To start, you need to learn a good *prospecting process*. Then you need to use your research to generate *Market and End-User specific information* like bait, that allow you to target the exact End-User you want to catch.

Getting Started - Who to contact?

In today's business climate, purchasing decisions are no longer being made by a single mid-level manager. The "yes" is now coming from a group of stakeholders, making a consensus decision. Additionally, as a result of the economy causing companies to reduce budgets, and slim down, various levels of management have been removed and approval authorities have migrated up the organization chart.

Miller-Heiman's Strategic Selling talks about several types of *Buying Influences*: User, Technical, Economic Buyers and Coaches. Each will have different needs, and ability to influence the buying decision. Within the range of Buying Influences, there will be several who are at a high enough level to be in a position of power. Meaning that they have the authority to make a purchasing decision, or can *influence* others to make that decision. These *Power Buying Influences* will ultimately be involved in the decision process, so why wait and struggle to work your way up to meet them. If you have a choice - this is where you want to start. To use one my fishing analogies: "why fish for minnows when you really want to catch a keeper striped bass?"

In some instances you might not have a choice, but to start low, and sell up the food chain. Meaning having to catch some bait first. But it always makes sense to start as high as possible. The worst that can happen is that the VP delegates you down to the Director. Which is much higher than you would have gotten if you had started with the Manager who then refused to allow you to meet their boss.

Prospecting

From your research you will have identified your ideal customer, and the Power Buying Influences, so the next step is to develop a *prospecting script*. The prospecting script is short statement that addresses a specific *business goal* or *pain* that you think that Buying Influence might have today. It must be job level related, and industry focussed.

For example, if you are looking to prospect a Director of Global Supply Chain for a major Biopharma company, you need to identify specific issues being faced by a Director in that market. They won't care that you have trucks and warehouses all over the

world, or that you do a great job in shipping commodities. But they will care about issues with supply chain security, and meeting the challenge of supporting clinical trials on a global basis.

Plan B

If you picked the right business goal or pain, the customer will definitely ask for more details. If not, always be prepared with a Plan B. Meaning that your research should have identified multiple goals / pains being faced by that industry. Have these in your hip-pocket - ready to use if the first one fails. If none work - then you walk. You just saved yourself and your company time and money by not spending too much time chasing a customer that has no needs.

However when one of these does hit, you need to be ready to expand on the situation, and the ideal way to do this is with a *customer testimonial*.

Customer Testimonial

The customer testimonial describes a *result* that another customer (same job level - same industry) received by using the *capabilities* provided by you and your company. The result must be quantifiable and show a *measurable benefit* that was achieved in a *specific timeframe*. In addition to being a powerful door opener, the customer testimonial also starts you on the path to developing competence.

Let's look at the example above where we want to prospect the Director of Global Supply Chain for a major Biopharma company. In the first part, we might have prospected them for issues with logistics costs and supply chain security. If they told us they had those issues and wanted to know more, we would follow with a customer testimonial about how we worked with another Dir. of Global Supply Chain, who during the first year of using our services, was able to reduce their global logistics costs by 50 %, while ensuring complete supply chain security and 99 % on-time deliver to their clinical operation.

After hearing this do you think we would have their attention ? Would they want to know more ? Would they think that you are knowledgeable about their business and

that your company provides capabilities that could help them solve their problems?
Definitely.

For those of you new to sales, now is not the time to start presenting features and benefits. All you did at this point was generate interest and earn the right to ask questions. Which means *now* the sales process has begun. There is a lot to do from here, but at least you have a Prospect that is interested in learning more, and will agree to continue the dialogue on their business issue and how you might be able to help. You've earned the right to sit at the table, if only for appetizers, but now that you are there, you are on your way to sharing the main course with them as well.

Summary:

Prospecting is a necessary part selling. Many sales people hate to do it, but if done correctly it's not difficult and can be very rewarding. Overall the process is simple, and to make it effective, it all boils down to the 5 -P's - Prior Planning Prevents Poor Performance. There is another version of this that had 6 P's, but I cleaned it up for this paper. Overall just think like a boy scout and "always be prepared."

For Prospecting, the preparation falls into three areas: *research* (pre-work), developing a *prospecting script*, and compiling *customer testimonials*. Your research helps you develop *market* and *end-user* specific information so that you can find your *ideal customers*, and uncover their *business issues* and *goals*. It will also help you identify the *buying influences* and *power buying influences*. This information is then used to develop a *prospecting script* and *customer testimonial* for use during your prospecting calls. If you do your preparation right, I can assure you that not only will you catch more fish than you ever have before, but you will stand a good chance of catching a quite a few keepers.