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# THE LOST ART OF PROSPECTING

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## **'PROSPECTING for new customers is like looking for gold'**

It is about knowing what you are looking for, looking in the right place and using the correct tools and techniques...do that and you will find gold. In this case 'gold' is your perfect customer....do you know what they look like?

For many salespeople, we hear comments such as 'cold calling doesn't work'; 'I am too busy to look for leads', 'it's the job of the marketing department'. If we want to make our sales target, and be in control of our own success, then it is in our interests to look for the best leads to fill our Sales Funnel (or Pipeline).

Does this sound familiar? The quarter end is approaching, there is a gap between our forecast and the budget. One strategy we may implement is to ask the sales team to look at those deals that have a close date for next quarter and see what could be done to bring them forward. The consequence of this strategy is that we begin the next quarter with the lower part of our Sales Funnel empty, and so the cycle begins again.

An alternative strategy is to make PROSPECTING something we do regularly, every day, not just a reaction to an empty Sales Funnel. Actively PROSPECTING means that you get better at it, you know what works for you and you will achieve a 'Luxury of Choice'. The choice will be yours, selecting only those leads that are the most winnable for you. After all most of our customers have a luxury of choice...they can choose who they buy from so why shouldn't we choose who we sell to. It's not arrogant to think in that way, just smart. And consider the dangers of no choice...leads played in the Sales Funnel that will never convert yet will suck up huge amounts of time and effort from right across the sales team.

### **What can we do to break that cycle?**

We need to PROSPECT on a continual basis and thus generate the leads we need on a continual basis. Our goal as above is to achieve a LUXURY of CHOICE of those sales leads that we know are most likely to be ones that we can win (because we can see a possible fit with our products / services / solutions).

### **Where do we PROSPECT?**

According to where our Territory Sales Plan guides us which in turn broadly aligns with the national / international / global sales strategy and direction of the business.

### **Whose role is it to PROSPECT?**

Fortunately, the answer to this question is simple. It is the salesperson's role to make PROSPECTING one of the most important activities that they do on a day to day basis. It is essential that we invest time and effort into this key activity. Make it a priority, book time in your schedule to do this regularly...every week, every day. The salesperson's radar should be on permanently! At its simplest every customer interaction is an opportunity to go PROSPECTING.

## How many leads do we need?

For many the answer is 'as many as I can get'! Let's consider this because there is an answer for everyone over any period of time whether that be a month, quarter, half year, full year. PROSPECTING is an important but time demanding activity, so like anything in managing sales we need a PLAN. Ultimately, we know what our sales target is, so we need to work through the numbers to arrive at the number of leads we need to find as a result of our PROSPECTING activity.

Here is a worked example which you can adapt for your own use:

Annual Sales Target:	£2,000,000
Average deal size:	£50,000
How many deals do I need?	40

My conversion rate from qualified opportunity to won deal is: 3 to 1

So, I need 120 qualified leads in my sales funnel opportunities to make my plan

My conversion rate from unqualified to qualified leads is: 3 to 1

Therefore over the course of a year I need to generate 360 leads to make my sales target.

For most salespeople there are about 220 selling days available in a year which means in this case about 2 new leads per day to be sure of making the sales target. The question I need to ask myself is what am I doing every single day to find a new lead so that I have the Luxury of Choice about who goes into the top of my Sales Funnel?

## What PROSPECTING mechanisms do we use to generate leads?

There are many many mechanisms we can use to generate leads as part of our PROSPECTING activity...here are just a few that we know to work well.

- **Referrals** are the very best way of generating new leads. Actively seeking referrals at every opportunity will quickly generate a list of leads to follow up – note the phrase 'actively seeking' which means not waiting for referrals to come to us
- **When you are in a negotiation.** Negotiations are a trade; the customer asks for something and we ask for something in exchange. For example, If I reduce my price to meet your budget, will you recommend/connect me with other people in your network?
- Running application based local seminars, '**Lunch and Learns**'. These are targeted at groups that are already identified as likely to be interested in your offering, and so are both efficient and effective at generating leads

- Use great **questioning** skills throughout the sales process, and **actively listen** for comments like
  - We are busy at the moment
  - We are going through a restructure
  - We are expanding
  - We are having difficulty with...
  - We are at full capacity
- Build **relationships** with your service engineers, support people, marketing team, and regularly seek input from them – remember their special customer relationship
- Use **social media** such as LinkedIn, actively build your network and make sure your profile is designed to generate interest in you and your company – not using social media is a big miss in today's selling environment

Brainstorm ideas at your next sales meeting/get together

And which of these mechanisms do we use? A range is almost certainly required because some fill your Sales Funnel quicker than others, some are free to do whilst others might require budget approval. Some you can do alone others you need the help and support of others.

**Remember: always be PROSPECTING!**