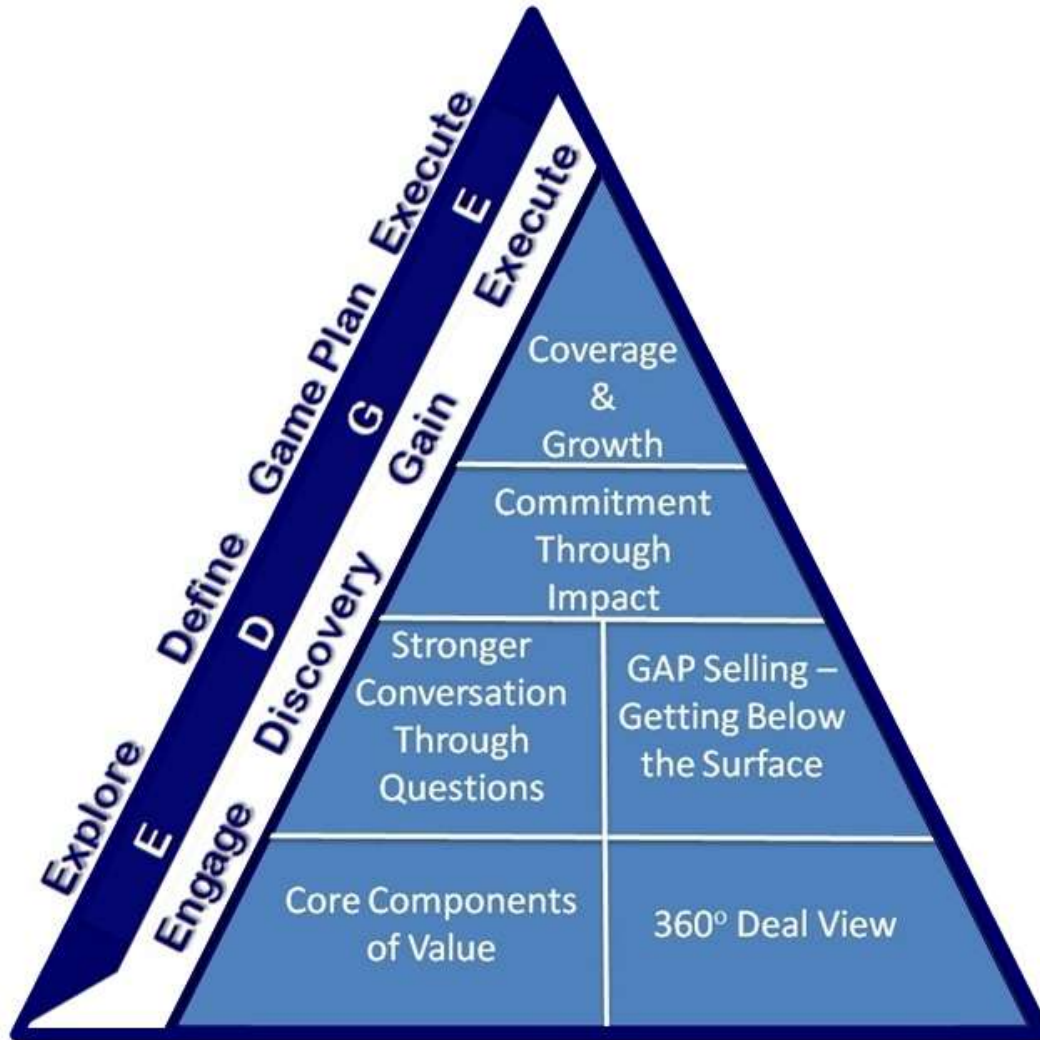


What's In Your Pipeline?



Fifth Edition, updated for 2013

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What's in Your Pipeline?

No simple question!

Always the question that starts the previous editions of this series, more importantly the question everyone in sales should be asking every day. While trends come and go, tools evolve, there some concepts that need to be recognized and reinforced in order to deliver sales results in all economies, certain, uncertain, or over the cliff. If you cannot answer this question with confidence, you will not be in a position to execute your sales process. And as we all know sales is about EXECUTION – Everything Else Is Just Talk!

No matter where or what you sell, in tough times or up times, the reality is that CUSTOMERS AND COMPANIES CONTINUE TO BUY! Sectors change, habits vary, challenges come more frequently; you may have been the in product yesterday, less important and more common now, no matter, the sale has to go on, or your employer will perish and your job along with them. As always you as the sales person are the front line, the line of opportunity and success, more than ever the DIFFERENTIATOR; the way you sell, the way you innovate, the way you react to market challenges, the way you sell is the difference between success and failure. You are in control!

To help you be a success, I have included specific pieces to help you maximize your time and opportunities. This year you will learn to *Work Your Cycle not the Calendar*, how to avoid *Premature/Perpetual Closing Disorder*, and *Time Shape Your Sales Funnel*, and how to really be *Important to Your Buyer*. As always, there are a few nuggets from previous editions, including *Selling in the NOW Economy* looks at how sales fundamentals still hold but need to be practiced more diligently than ever. *Brother Can You Spare a Sale*, looks at the need to continue to build your pipeline no matter what, by applying and executing a process that fits your need.

I hope you enjoy and profit from what you read here. Feel free to contact me directly at Tibor.Shanto@SellBetter.ca. For more update visit our blog **The Pipeline** at www.SellBetter.ca/blog, you can get fresh update from the front line, and comment or share your experiences with fellow sellers.

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Work Your Cycle not the Calendar



Here we are at the start of a new year, fresh faces, prospects and places to engage, and with what most would lead you to believe, a blank slate, ready to conquer sales all over again. However, is it a blank slate, has the clock rolled back to the start, allowing you to start things a new, or did we just cross a marker in a continuing trek forward? I tend to go with the latter, while we may need to mark time for a number of purposes, for sales professionals, and for actual sales, the sales cycle is somewhat indifferent to the artificial rhythms that accompany our travels through the years.

While corporate fiscal years are 12-months, and in many cases align to the 12 calendar Jan. 1 to Dec 31, decision cycles don't, and as such sales people need to align and manage their cycles not their calendars. Add to that the fact that budget cycles, including planning, like decision cycles don't align to the calendar.

More important than the time of year, is the length of your sales cycle, and your ability to engage and get commitment from clients, regardless of the time of year. The length of the cycle is a much more important number to track than the time of year. Often sales people or organizations do not know the length of their cycle, which not only puts them at a disadvantage, but forces them to fall back on using the calendar to set milestones rather than their actual sale.

When asked about the length of their cycle, they say things they themselves would find odd if they heard it from someone else. Things like depends, or "it is different all the time". But, usually it is not different all the time, in fact if they consulted the tools available to them in most CRM's they would not only see the length of their average sales cycle, they could also take steps to better manage the cycle and the outcome.

The data is there, I recently worked with a team that kept telling me that their cycle was about 90 days, but data pulled by sales ops from their CRM showed an average of 140 days, (average, not exactly every time, but remove the outliers and that is the average).

One reason a lot of folks say 90 days, is because they have been brought up under the 30-60-90 day approach to pipeline management or forecasting. They learned that few managers will look beyond 90 days, they will mostly be grilled on the 30 days or less, and they become adept at playing the 30-60-90 day shell game: “where is that opportunity now?” An easy way to see the impact of the game on the execution of the sales, is to just ask any manager, how many times an opportunity is “recast” in the 30 day section before it actually closes; you will typically see 2 to 4 times. Which why they say 90 days when you ask how long the cycle is, 90 day, plus a couple of recasts at the short end, and viola, 140 days. This variance of 50 or so days plays havoc on sales, forecast and resource planning.

As mentioned, it does not take much to understand the average length of the cycle, just look at your last 20 sales. Decide where the sales starts, usually from the first hand shake, anything before that is lead gen to me; then look at the days to close (contract, invoice, etc.), and there you have your cycle. If 18 of the last 20 sales happen in 10 to 12 weeks, you can safely say that your average cycle is 11 weeks. This could and will change based on factors, but keeping track will help you know, bake it in to your planning and execution, rather than having those same factors negatively impact your sales. Knowing this, will help you allocate time throughout the cycle, and to the right activities – most importantly – prospecting. As the old saying goes: no prospects, no sales, no cycle to worry about.

If in fact your cycle is 11 weeks, anything you close the first week of the year, will have to have started in October last year; anyone you meet for the first time this week will not yield results till March at earliest. In fact, if you have a 25% closing ratio, only one of the four people you meet this week will close in March. Oh you don’t have four new opportunities lined up this week, might as well recast something that was supposed to close in December (November, October?); how many sales will you need to hit target in March? BTW, how was your February?

If you need to close four deals a month to hit goal, with a 25% closing ratio, you will need to initiate 16 opportunities, knowing only 4 of the 16 will close. You can improve your odds slightly by working with existing clients, but over reliance on the base has risk as well. One there is only some much you can get from that source; second in most industries there is a natural churn, so if you don’t bring on new clients, you will eventually shrink; third, it distorts your view of the sales cycle. Especially if much of the business you get from your base is tied to renewals which traditionally come at the end of the year.

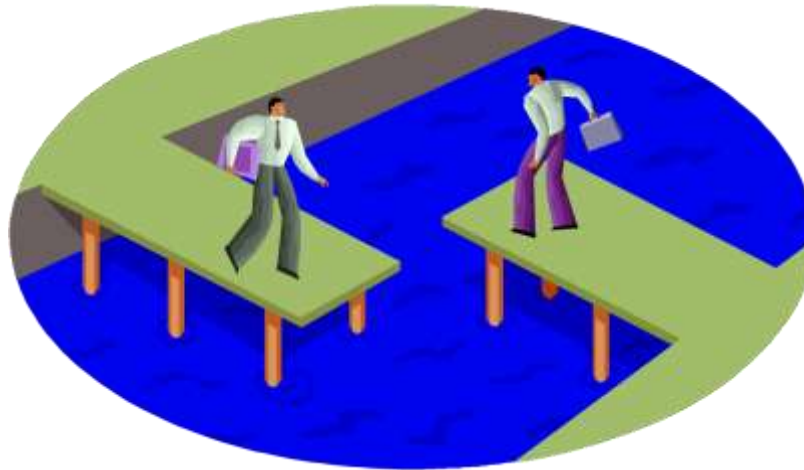
I have worked with and for companies where the period from Thanksgiving to December 31 was almost exclusively dedicated to renewals, and “closing”. These same organizations have also become very accustomed to the start of the year lull. They rationalize this in a number of ways: post holiday effect, etc. The reality is that by spending their time “closing”, ignoring other vital activities that have to take place during the sales cycle, they set themselves up for the January and February lull, and extension the rest of the year as they spend time catching up, save for the summer lull, etc.

The answer is a disciplined approach to managing the cycle, not the calendar, this involves understanding your key conversion rates; at the minimum, appointments to engagement; engagement to proposals; and proposals to close. This will allow you to gauge both the length of your cycle, and how much time you need to allocate to key activities. (To get more details on this last part, I invite you to download the [Sales Happen In Time White Paper](http://www.sellbetter.ca/sales-happen-in-time-white-paper/)¹). This will also allow you to prospect in a way that avoids the ups, downs and lulls many have come to accept rather than avoid.

In the end, you can go with the flow, as part of the 80% that allows the calendar to dictate their timing, or you can work your cycle and sell year round regardless of what day the calendar says it is.

¹ <http://www.sellbetter.ca/sales-happen-in-time-white-paper/>

Sales Force (Mis)Alignment



By now everyone is aware of the increasing talk of the need for alignment between marketing and sales, with some organizations realizing that it is healthier to look at the entire Client Life Cycle as one function rather than two. Some organization have acted on their commitment by creating the role of Chief Revenue Officer, having both functions coalesce behind a singular purpose, function and execution.

This indeed is a step forward as it aligns and consolidates the organization's resource to better serve the most important element in selling, the customer. While it may seem basic and fundamental to mention the buyer, but they, the customer, are often absent from the discussion, and are instead represented by their common proxy, revenue. But revenue does not act on its own, it is a by product of a decision made by a buyer, which is why the key alignment many organizations should put greater focus on is aligning their sales people with the buyer, not just marketing. A key component of this alignment is ensuring you have the right assets and resources deployed at the specific and right buyer groups.

First lets define the buyer groups in question, to keep it simple and familiar, lets divide them in to three common groups:

Status Quo – this group is content with their current situation, this is not to say that they are doing what is optimal, just that they are content with their current state. What some have called happy now, and not looking for alternatives, or enhancements to what they have in place. Many sales professionals you talk to call this group complacent, which is a nice way to express their frustration at their inability to engage with this group. Based on which surveys or studies you look at this group makes up about 65% – 75% of the B2B buyer population, let's keep things simple for the rest of this piece and call it 70%

Passive – The key differentiator between this group and the Status Quo is that while they are not actively looking for alternatives to the way they are doing things, they have either acknowledged to themselves, or are beginning to see that they cannot be content with the current situation for long. This is why they are labelled Passive; to continue the definition from the above point, they are no longer 100% happy or content, but are not actively looking; they are open to suggestion, but on they are not ready to act yet. Again, based on various sources, this group represent roughly 15% of B2B buyers.

Active – The most straight forward group for most in sales, these people are actively looking for alternatives to their current situation, some have called this group as “in the market”. Not happy, and actively looking for alternatives. Every sales person’s dream, so long as they haven’t made up their mind on a provider, and are just using you as “column fodder”. This group makes up the remaining 15% of B2B buyers.

What you have is 70% of B2B buyers are cocooned in their current reality, not looking, not thinking of looking, and ready to torpedo any sales person looking to engage with them using conventional means, and if nothing else, most sales people are conventional. Then there is 30% that are in various states of readiness, while not all have the big neon light over the door saying “ready to talk”, they are all open to a meaningful discussion with knowledgeable sales people using conventional means of engaging and selling.

Now lets look at sales people based on attributes and capabilities, they too can be placed in three general groups.

Demand Gatherers – as the name implies, these people do best with Active buyers, buyers who have declared their desire to engage and buy. While we can dissect this, the reality is that for the most part in a B2B environment these are order takers. They may be good at managing relationships, and safeguard existing revenue, but when it comes to new revenue, the buyer practically has to throw it at them. I am not being condescending here; time and time again in workshops these people will use the expression “when I can get the buyer to throw me a bone.”

Leverage Demand – these are the reps that can recognize those who are Passive buyers, they understand the signs of someone who is not looking, but not longer fully believes in the solution in place now. They are great at managing and growing accounts beyond what the buyer will throw at them. But, on their own will not or cannot engage with those buyers that make up the Status Quo group.

Demand Creators – This are the traditional hunter, the money players, the ones able to stir and agitate the right way and in the right measures to create demand and opportunities in buyers that Gatherers and those who Leverage Demand, will miss, overlook, and in the process concede the potential revenue to your competitors. Think of these people, as the sellers who know how to be the irritating grain of sand that becomes a pearl.

Here is the challenge, most sales forces are composed primarily of Gatherers and those who Leverage Demand, and few if any at times of Demand Creators. While I am sure the

number is not exact, but when you talk to many sales VP's, they will tell you without much shame, that their teams conform to the 80/20 rule, 80% those who Leverage and Gather; 20% Creators.

A couple of years ago I wrote a series of posts examining the impact of abandoning the Pareto Principle, and striving to move the dial to say 70-30, a friend coined this the Shanto Principle. Just by adopting that over Pareto in sales would result in improved alignment. You can read the series in the form of an e-book, [click here](#)².

Almost the exact opposite of the makeup of the buyer group. Can there be a more glaring, and costly example of misalignment, misspent and miss-focused assets and resources.

Most of your resources and efforts aimed at the smallest part of the market, and only 20% aimed at the largest buyer group. Add to that, much of the alignment between marketing and sales is focused on the Passive and Active groups. Makes you wonder how much opportunity is being abdicated to those competitors who have realised that you can with the right people, resources and message Create great success with that 70% of the market that 80% of your sales force will ignore or not be equipped to exploit.

It is always easier moving the small things around and harder to take action on the BIG and IMPORTANT things, especially when it involves changing personnel. Change that involves your people can come in one of two forms, you can either change the skills and habits of the people you have on board; or change those you have on board.

Let's look at the latter, many of the same leaders who tell you that 80% of their team are either Gatherers or those who Leverage, will in the same breath tell you that 80% of their revenue is generated by the 20% Creators. What that tells me is that they could fire half their team, and realize great savings without tangible negative impact on revenue or client satisfaction. In fact, some will tell you that those two measures will improve when you get rid of the fat. An early indicator of this is the number of companies who have succeeded in migrating revenue from outside sales teams to inside sales team. They often experience a rise in coverage, revenues, and margins. In addition, these same organizations will be the first to realign their assets and resources and take more of your revenue. Mostly because there are more cost effective and efficient ways to ensure client satisfaction, and since the 80% are for the most part taking orders from demand generated by marketing, there is a savings to be had.

Changing the skills and habits is also difficult, both in terms of effort required, and costs; and in reality will likely involve in some change of people, especially among front line managers. Changing habits is an evolving process, and in these days of short-term expectations, it seems many sales organization are willing to live with the pain of underperformance vs. the pain of changing team members.

² <http://www.sellbetter.ca/the-shanto-principle-2/>

In some cases, it is less about reducing the size of the sales force, and more about the right talent not being available to match the market. Many have difficulty finding Creators, while there is an abundance of Gatherers and those who Leverage demand, usually at a lower investment than the Creators. Which is why in the end, it is more likely that you will have to both reduce the number of also-rans, and invest in developing Creators internally. This takes time and effort, but not more than dealing with the drag on the process the current reality creates.

One concern many leaders raise is what happens “if I train them and they leave?” Two answers, the first borrowed from a sales leader I met at a conference, when asked by his boss, he responded: “what happens if you don’t train them, and they stay?” The other is that A type Creators, know a good thing when they see it, that is what makes them successful, they want to be where they can win, which is exactly the environment you would be creating.

As stated at the start, it is about alignment. Aligning sales and marketing is a good thing, should be encouraged and continued. But without aligning the right sellers with the right type of buyer, much of the effort in aligning internal resources will be limited and diminished. In many ways it is trading in ongoing pain, for short term upheaval – but – long –term gain.

Help Cure PPCD



PPCD is an affliction suffered by many sellers, some are aware they suffer from it, others are not. Left unaddressed PPCD kills sales and bring danger to many companies whose top and bottom line have been negatively affected by this scourge. The good news is that when detected, it can be addressed, treated, and positive gains can be had moving forward. But as with most of these types of killers, it needs to be detected, and then the victim has to accept the diagnosis, and be willing to take steps to cure PPCD. Supported by managers, clients, companies, and their families, many make a full transformation and go on to live productive lives; some in sales, others in hospitality.

PPCD – Premature/Perpetual Closing Disorder has been around since the dawn of sales, when I believe Eve closed Adam by asking for sale early and often. While that may have worked given the market conditions at the time and only one key competitor to the Serpent, it is not an acceptable condition in today's post 2.0 environment. And while selling and selling tools have evolved many ways, this disorder has been hard to eradicate, despite continuous evidence that it reduces sales, increases sales cycles, and limits the credit worthiness of PPCD sufferers.

Of course it does not help when Hollywood helps reinforce old stereotypes and myths, with characters like Blake (Alec Baldwin) perpetuate the myth of Always Be Closing (ABC). They not only miss the mark, but cause many sales people to go astray and limit their success and career by trying to close early and often. It is no easier countering this with sales people than other myth such as every girl being skinny, or that everyone on the planet smokes. It is heartbreaking watching these misled sales professionals overcome the ravages of PPCD, especially when you watch them go cold turkey, a whole first meeting without closing anything but the next step.

The good news is that PPCD is a life style disease, like smoking or obesity it comes down to choice, which give individuals the opportunity to change the choices they make, and the results they achieve. The first step is to understand why you suffer PPCD, and then take proactive steps to change behaviour and habits. So as a first step, stop closing or even trying to close until the deal is ready to be closed. This is not to say that you cannot

take steps to solidify critical points of the sales while moving it forward; however there is a clear difference in ensuring issues are discussed and settled to mutual satisfaction, and ABC.

Let's break it down, and keeping very much in mind that PPCD is really a symptom, not the cause. The cause is the fact that many sales people move about their "territory", looking for a need for their solution, rather than engaging with people where they can legitimately offer and deliver value. Building that value on the buyer's circumstance, not parroting a "value proposition", do we really think our clients want to be propositioned? To avoid this you have to start long before the sale begins, in fact lack of preparation is a root cause of PPCD. There are two things you need understand in order to create value for the buyer and avoid PPCD. First, what are the buyer's objectives; second, what are key obstacles or hurdles they face in achieving their objectives. The latter don't always have to be big to represent value; they have to be relevant and effective.

I know, you are asking, "how do I know what their objectives are?" Moreover, once you've answered that, you'll ask "how do I know what barriers they face?" The good news is you do, you just need to take the time to prepare and leverage. You have the benefit of history and information you have captured from previous deals, or more accurately, previous sales cycles. You want to capture information and data from not only deals that you win, but those you lose, and the ones which end up in no decision. Between those you will have a clear picture as to which objectives were common to the people you dealt with. You can also prioritize those that lead to winning cycles, winning cycles that were shorter than others, and objectives that trumped other in the course of decision.

Similar aspects can be captured for lost deal, this may include product specific issues where you were able to align with their objectives, but there were product deficiencies that could not be overcome. It is important that you share this with your product and marketing people to ensure it is addressed, yes that is part of the job of a sales pro.

As you compile this, you will get a good list of objectives, how different buyers prioritize them based on role and other attributes, and begin to gain confidence in which is likely to resonate with whom. Now you can begin to build your conversation map.

It is important that this is done on a group basis not just on a rep basis, you want to ensure and validate the points, and looking at it in a collective way helps everyone who contributes. It also helps new reps who may lack sector experience, but are good sellers; they can use the collective findings to hit the ground running.

Once you have a picture, and have been able to validate and refine through application, you have a way to focus and deal with issues that will create genuine engagement around real issues for the buyer. This will allow for sincere discussion of the issues and opportunities to move the sale forward will continue to evolve. This is not to say that there won't be unpredictable situations, unanticipated curves and turns, but by focusing on the client's objectives you will more likely steer the conversation towards addressing

them in a meaningful and proven way. This then cuts down the need, and more specifically, the urge to close or trial close.

In fact, almost all recovering PPCD sellers tell us they are not just seeing more in the sales, but are enjoying the experience, free of the constant pressure to close; all the energy consumed in the extraneous effort it takes to listen for an opening to close, rather than listening for mutual value based on the client's reality.

One final note for managers, PPCD victims rarely develop this disease on their own. Our findings show that usually the sales manager or director are enablers. This common to similar illness such as smoking or other addiction, there are always enablers. You think you are doing them a favour by putting extra focus on the close, but you are not. You need to create an environment where recovering PPCD victims can thrive and drive value for the client, and revenue for the company. Let's face it, the reality is that there are no A players suffering from PPCD, they are usually the 80% you've come to learn to endure, just like other sick relatives.

So let's take a step together, and cure PPCD, give us call here at the clinic, (855) 25-SALES, and rescue that poor soul from a life of mediocrity and second hand cars.

Time To Reprogram



One of the many drivers of sales is emotion, and in turn, emotion is impacted by attitude and our outlook for the future, how we and our buyers perceive things, very much dictates how we sell and how people buy. This is why at the end of 2008 and beginning of 2009 there was a lot being written about how to sell in the "new economy", thanks to the lingering after-effects of the Lehman Brothers exit party, and its impact on buyers.

There were the usual "sky is falling" crowd, there were those who saw an opportunity to repurpose previously tried or successful, techniques; others took the opportunity to try out techniques that were overlooked in a stronger economy. What was missing was a "new economy", it seemed that it was still very much a function of supply and demand; there was an extreme lack supply of credit, a disproportionate oversupply of real estate, and of course a never ending supply of BS from the usual and new sources.

For the most part we were supplied with battle calls to stop how we selling "then", "it no longer works", and if we kept doing it we'll lose, become social outcasts, and perish. Change what worked in the pre-Lehman Bro. era, and "change to our way of doing things". (I guess they had advance notice and experience with the "new economy", or maybe they just dredged out remnants of the previous new economy, the one before or after the dot com boom went puff!

Well some did perish, even as they changed, I would bet more from lack of demand for their offering than anything else; and because change for sake change, is not always functional. Others adopted a constructive approach to change, commonly known as "evolution", and evolved their selling and more than survived.

Now I am not saying that the economy did not change, and that change did require that we adjust our selling approach, but that was not "new" or different from previous economic cycles, it just was a bit more pronounced and sudden than what many had experienced.

One factor that made the downturn more severe for sellers was the fact that many were caught by surprise when the supply/demand dynamic shifted dramatically in 2008. Sales professionals are accustomed to dealing with and being part of "leading indicators"; where they once led, they all of a sudden found themselves lagging the process, and missing the economic change to come; leaving some sellers not ready to respond or reposition themselves to win sales in the changing (not new) economy. This left them in unfamiliar grounds, and searching for a way to get back to familiar haunts; which is why the soothsayers did well. And many sales people benefited, not necessarily because they committed to wholesale changes, but because they regained focus, adjusted to realities on the ground, and then responded accordingly.

One unfortunate outcome of these developments is that it left many sellers and buyers with an attitude and outlook that resembled the outlook of those with Post-Traumatic Stress Disorder (PTSD). As you know PTSD can occur after people experience a traumatic event that involved the threat of injury or death, or in the case at hand, sales, revenue and survival. At the height of the economic downturn, you could see this everywhere, buyers frozen in their path, fearing to move forward, afraid to take proactive steps to prevent from slipping backwards.

Sellers walking around shell shocked, lost deals, vanishing budgets, and questionable loyalties from customers feeling the same impact. This required a change in attitude more than a change in the way we sold. And when desperate sales people and organizations changed for change sake, it compounded the issue even more. Eventually, things and sellers settled down and found their groove; they adjusted to the current dynamics and adjusted their approach to selling in a soft demand economy.

As mentioned above, sales, and sales people should be part of the leading economic factors, not lagging as they did in 2008/2009, which caused them to fall behind the trend. Given that, sales people need to closely monitor and leverage leading indicators so not to be trapped by the economy and circumstances. So if you look at the leading indicators, they are pointing to a recovery, maybe not as fast or steep as some would like it to be, but in the USA and Canada, leading indicators are pointing to a recovery, which means sellers need to adjust their outlook and attitude, and by extension, how they sell now, not after the fact like in 08/09.

Now is the time to adjust the way we prospect, sell, cover accounts and improve penetration. Now is the time to "change", well adjust the techniques. What does a change in a given indicator mean to your market, and by extension your opportunities and sales. While things may not exactly track to the way they were, there are enough similarities to allow you to evolve your sale to meet the new demand/supply equilibrium.

Now is the time to talk to key stakeholders in your company and in your client companies to learn how their outlook and planning is changing given the new indicators. Once you understand that, understand what they desired impact is, and what action they are planning to take and when to meet it. How are they viewing their budgets, budget process, buying process, etc? How can these observations help you

adjust not only your selling approach, but who you may approach. Maybe the next cycle will open doors you previously did not knock on, buyer you have not dealt with, all opportunities to adjust, grow, and change if you like.

So the choice is yours, you can wait, and join the buddies at the bar lamenting the fact that you missed another move. Or, you can act now, take the lead, and get ahead of the crowd, and win more of the demand building out there.

How important Are You To Your Client?



Ask any group of sales people what they want to achieve with their buyers, and a vast majority will tell you they want to build rapport and establish a “relationship” with buyers. It seems like the Politically Correct thing to say, sounds nice, sounds safe, and frankly sounds easy; all the ingredients that the 80% are looking for. Now don’t get me wrong, having a relationship with your buyers and customers is important, but when measured in results and revenue, not all it’s cracked up to be.

Myself, and I believe the 20%, would rather achieve being “important” to their buyers and clients. Because when they want to achieve important things, they turn to the people they believe and perceive to be important for the task, regardless of the relationship. How many times did you think you had a relationship, while the other company ended up with the order? Further, as they point out in “The Hard Truth About Soft-Selling: Restoring Pride and Purpose to the Sales Profession”, sales people never get a commission for relationships; commissions are made for sales and related revenue.

Of course having a relationship does deliver orders, revenue and the illusion of success, but being important to your buyer/client assures you the first call, first shot, and none-discounted deals. Being important leads to more and better referrals. Having a relationship can also lead to referrals, and recommendations, being important to your client/buyer turns them in to evangelists for you, your company and your product. Elevating your status from “relationship” to “important”, takes a bit of work, but the pay-off is exponential to the effort put in; while the effort is front end loaded, once you adjust your approach, the ongoing effort is not much greater, save for the results.

So What Does It Take

As with most things relating to sales success, it goes back to your view of the buyer, the market, and sales. It starts with attitude; attitude drives your view of things, just think glass half full, half empty; more specifically, attitude drives actions, execution; and how you execute will differentiate you from the 80% seeking relationships, and put you in the 20% clients/buyers see as important.

But attitude is not enough, it takes planning and work, the type of effort relationships may not require. First, you need to take yourself out of the picture and focus squarely on the buyer, their objectives, and their realities. This is more than letting the client know “what’s in it for them”, or exploring their “needs”, or the classic “relationship” go to, understanding their “pain”. You need to align yourself and your offering with what is important to them, this is hard to do in a product/pitch world. Done right, it forces you as the seller to approach each sales as a blank canvas on which to create value for your buyer and your company. Let’s be specific about value:

Those offerings that remove barriers, obstacles, or helps bridge gaps present between where the buyer is now – and – their objectives!

Which requires that you take the time to understand what is on their priority list. This requires that you track not only why people have bought from you in the past, but how those factors align with current and evolving market developments, and your offering. With that in hand, you need to develop specific questions, not just run of the mill “probing questions” but hard hitting “disruptive questions”, the type of questions that will make decision makers stop in their tracks, and want to hear more. They want to hear more because they know from the nature of the question that you are clued in, and able to do specific things required to achieve their objectives. They know there is greater risk to not dealing with you than messing up a relationship with an also ran.

Decision makers will focus on things that are important to them; many executive will turn their schedule inside out to make time for something important, but you need to demonstrate that you are important based on your terms and their objectives, not some outsourced value prop.

To do this you need to develop confidence in your abilities, not confidence in your product. Many “relationship sellers” spend way too much time “schmoozing”, rather than dealing with serious matters. They feel more comfortable talking about relationships, they hope that their product will carry the day, and they can focus time and resources on establishing and fostering the relationship. I get the premise, I just don’t see value in the mix; without value, you are not important; if your product could convey the full scope of value on its own, they wouldn’t need you.

You can see evidence of this throughout the sale. Often we talk about timing; in fact it is the focus of a book I coauthored on trigger events. In part it looks at events that trigger change in the buyer’s environment that alter the buyer’s perception and propensity to act, the change in circumstance changes the buyer’s priorities, making something

important that was unimportant before. We have all encountered a non-responsive prospect in January, who is a willing participant when you follow through in June; the difference is what was off the radar in January, is all of a sudden important in June, leading to a receive prospect.

Yes, being important does take more work, risk and effort, but the payoff is so much greater for both you and your buyer. Being important will result in sales and relationships, having relationships do not assure importance and the things that come with it.

Where Do You Draw The Line?



What would you do to get a sale? Let's frame the discussion, we are talking about a B2B sale, the client has options, the "other guy's" product is very similar to yours (their shade of blue is two digits darker on the hexadecimal chart), and you are resolved not to win the business by discounting.

This was the topic of a lively discussion among four B2B reps I was recently facilitating. We were looking at potential options in a sale that was at risk of going sideways unless some dramatic steps were taken. In an effort to ensure we covered all possibilities, we started by listing all potential courses of action – nothing was off the table in the first go around; they were encouraged to throw out ideas to be captured on a white board. The intent was to then narrow things down once we had a full range of ideas, strategies or tactics, after this first no holds barred round.

The ideas were coming fast a furious, and it was clear that the two dominant people were coming at sales from very different places. One was from the “relationship” camp, we’ll call him Harry, he was big on creating relationships, being “liked”, “people by from people” school, focused on creating and then converting those factors to revenue.

The other fellow, more from my side of the track, an unabashed hunter, “the thrill of the kill”, direct, focused on mutual result, but all premised on the result involving him and his product, we’ll call him Clint. It was an idea the hunter threw out that prompted one of the participants to ask: “how far would you go for a sale, where do you draw the line?”

After an uncomfortable silence, the hunter replied: “as far as I have to get the sale, as long as it is legal, within my moral boundaries; it is my job to go for it, because if I don’t, someone less deserving will win the sale, and my prospect will not get the best option out there.” While some may not completely agree with him, you have to love his passion. But as you would suspect, the was disagreement.

For some further context, both sales people in question are top performers, but the hunter has had a better track record in all measures, but specifically new revenue growth, new clients, penetration and growth of existing accounts. The relationship fellow was a good sales person as well, solid track record, but over the years trailed the hunter in results.

One key difference between the two was what they each saw as being most important. The relationship seller, saw the buyer/client as the most important thing. His reasoning was sound; the buyer ultimately pays for the experience, and therefore is the most important element in success.

The hunter saw the sale as the most important thing to focus on. While he had great respect for buyers and their objectives, his view was that he worked for his company, and his job was to sell, not at the expense of the buyer, but to their mutual benefit, but ultimately his primary responsibility was the success of his own company. He felt that the key difference between him and his colleague was that his colleague's view led him to be too passive in his approach, surrendering too much control in the buyer's hands, and as result missing sales that were in reach.

Specifically, Clint insisted that one of the most important things he does is create demand among buyers who left to their own devices would not be in the market. While potential buyers may be content with the way they are doing things now, it was his job to show them better alternatives, especially when they would not pursue those alternatives on their own; this was even more the case with new customers. It was his view that creating demand and then satisfying it with his solution was much more valuable to a client than merely a relationship.

He went on to say that it was the need to create awareness for alternatives, and extend that to creating demand that allowed him to be creative; he again said that as long as it is "clean and ethical", he would be willing to try anything to engage with a potential buyer. Again, this was the source and focus of his creative approach to engaging and selling a prospect. Clint felt that with Harry's approach, you needed to concern yourself with maintaining the relationship, which may limit Harry's creativity and willingness to act on certain things that Clint didn't think about twice as his relationship was built on the offering, rather than the other way around.

Clint went on to explain that he felt that placing relationship at the top of the pole, required the acceptance of certain conventions, and forced Harry to be more conventional in his approach as he had to "respect rules". Whereas his focus on the sale gave him carte blanche to approach the sale any way he saw fit based on two ground rules, first we mentioned above, that is it has "to be clean and ethical"; Clint was adamant that his and the company's reputation had to remain squeaky clean. This does not preclude being provocative, in fact he felt that was one of his best weapons, provoking the buyer to think beyond where other relationship sellers may want to go. Second, it has to adhere to his sales process, meaning his activity has to move the sale forward, or it needs to be removed from the funnel. This allowed him to spend time

with real buyers as he provoked³ them to act, rather than managing relationships hoping they may lead to action.

To use a spots analogy, Clint felt that the best way to win sales was to always be proactive, best defence – good offence notion, he just felt that relationship built on value and success were more meaningful to all parties if the client was challenged in the same way Clint challenged himself. Which is why he felt the line was a lot further than most sales people are willing to go. “The higher you set your goals, the higher you’ll reach, I want more than just a relationship, and I want my clients to win.”

³ Provoke - Remember provoke is not by nature a negative term, it does mean "to stir up, arouse, or call forth (feelings, desires, or activity): to incite or stimulate (a person, animal, etc.) to action. Clint saw his job to provoke as a positive thing, his creative touch points provoke the buyer to look beyond the current, he got them to look at what could be, believe it could be, and then get them to act.

Time Shape Your Sales Funnel



Sales like all professions, has their cultural symbols and icons, universal, recognized by all in sales even though we may sell different products or solutions. One of the most recognizable is the Funnel; symbolizing a number of key elements of the sales process and experience, representing the flow of opportunities. The wide open end at the top, and as we apply the sales process, disqualify the also-rans, it then narrows, till a fewer number of customers are produced at the end of the process and Funnel.

The shape of the Funnel not only is a good visual representation of the sale, it guides sales people in their actions, creating greater focus as the sale progresses; it is also a great vehicle for managers to coach and lead their teams to success; it is a great tool for forecasting and planning future actions and results.

The more defined specific stages and actions are in the funnel, the greater likelihood a rep will take the right steps to consistently succeed, and by extension their organization will be able to produce revenues in a predictable and repeatable fashion, driving corporate growth and further collective success and rewards.

Of course there are differences in the degree of adoption and adherence of process by reps, and as a result the quality and quantity of output varies. But there is one area where the funnel has been ignored in delivering success, or certainly not as fully integrated as it could be to enhance the elements highlighted above, and that is around the notion of time.

Yes, most funnel procedures will have guidelines as to how long the overall sales cycle should be, some even have down to how long is optimal in each stage of the sale. There will be rules as to how much time should elapse between activities, client interactions, etc. The one area they tend to overlook or be out of synch with is how much time needs to be dedicated to actually filling the Funnel with viable opportunities. In fact, one can argue that traditional view of Funnels start at the point of the initial meeting (live or by phone) with a prospect, encouraging sellers to focus a disproportionate time to Selling vs. Prospecting.

I want to be clear that I come from the school that believes that “Prospects are created not Found”. So while I am a big proponent of cold calls (tele-prospecting), I am not talking about running around the country side knocking on doors, or picking up a phonebook and dialing from A to Z. Although I could make the argument that as ineffective as the latter may be, it still may yield more results than some of the methods encouraging sales people to wait and “be found”. No, what I am talking about is the continuous activity successful sales professionals execute on an ongoing basis to ensure that they have a steady flow of opportunities in to their Funnel.

While closing is important, opening is much more important, first you will always need more at the top end of the Funnel, as you disqualify opportunities, you will always end up with a fewer number of closes. You can arrive at this number by simply looking at the number of deals you have to deliver monthly or quarterly, (quarterly is best if you have sales cycles longer than a month); then work backwards, from there to understand the number of prospects you have to create and put in to your Funnel day in day out.

Most sales people underestimate the amount of time that is required to create the sufficient number of prospects to allow them to reach quota with less stress. This is why it is important to sell from a point of abundance. While your calculations may show that you need to replace each closed client with 4 new prospects (4:1 ratio), some sales people will try to make things happen with fewer prospects than that. This may feel smart, but in reality you end up spending more time negotiating, pitching and pushing the deal uphill by selling to buyers who are not fully qualified, the only thing they have going for them is that they are in the Funnel. As it is all there is in the Funnel, you do it, in the process making your cycle much longer, spending a disproportionate time in the latter part of the sale than need be, and turning the Funnel upside-down from a time perspective.

Sad, because you are the one who left yourself with no choice. Choice would be to have five new prospects, allowing you to focus on those with the greatest propensity to close, rather than chasing something merely because it is in the Funnel.

The solution is to rethink your Time Funnel strategy, quite literally turning the Time Funnel right side up again, maximizing your time for maximum results at both ends of the Funnel. Different studies have shown that those sales people who are consistently successful over time, in both up and down markets, are the ones who allocate more time to creating and engaging the right prospects, and launching the Discovery stage. Not pitching, product knowledge, negotiating or overcoming objections.

Doing this will give you the right prospects in abundance; accelerate your sales cycle, and achieve more with less stress. Don’t get me wrong, I respect people who like to work hard; you shouldn’t go out of your way to do so, especially when you can get so much more out of your time by refocusing back to the right end of the Funnel.

Not Only Is Talk Cheap But Misleading



Effective communication is crucial to sales success, understanding what the client wants, how they prefer those wants addressed, and understanding what they mean, can tilt things for you or against you. But communication is way more than the words exchanged between buyer and seller, as we all have been told communication is 60% body language, 30% intonation and tone, and only 10% verbal or words. Yet many sales people rely too much on strictly words, both in conveying their message, and taking input from potential buyers, almost completely ignoring the other aspects of communication.

This has obvious repercussions when it comes to effective selling, and ensuring you are getting the right message to the listener in the right way. Borrowing from the work relating to how people learn, because getting someone to change and buy from us is an exercise in educating the buyer; there are three types of learning styles: visual, auditory and kinesthetic (or tactile). Buyers tend to fall into one of three groups when they take in, understand and absorb your message. If you do not take steps to ensure you are incorporating all three types, you risk not fully communicating to many buyers even as you speak to them. This is why demos make sense in the right context. This is why you want to get up and use a white board where available. It does not however mean pulling out the coloured glossies and spreading them out on the table hoping they'll sell the deal. It does not take much or long to develop an interview routine where you can ensure that all three groups will follow and assimilate your message.

Once these senses kick in, you need to focus on developing means of dealing with the buyer's communications to you. If you focus strictly on their words, what they say, you could be misleading. The notion of taking them at their word does not always work in sales. I am not saying buyers are liars, but if we as sales people rely strictly on words we hear, we are taking a risk.

How many times have you been told something only to have things turn out differently? How many times have you been told by a prospect they are interested, and then never get the order. Again, no bad intents, just a failure by the rep to validate what they think they hear, and act accordingly. By validate, I don't mean ask again or in a different way, but by looking to other non-verbal communication.

Here is a simple rule to live by; the only real measure of interest is action. If a buyer tells me that they are interested, what action are they taking or willing to take to demonstrate that interest? This why next steps, in the form of specific actions taken by the buyer, which move the sale forward, with a timeline are so important. If they were truly interested they would act. We have all been with prospects who tell us they are interested, yet when it comes to taking concrete steps, they do not follow through, the cycle goes way too long, the deal stalls or does not happen because of a lack of action.

In addition to planning your presentation, your questions or even your pitch, you also should plan key action items that will help the deal move along, further involve the client, and validate interest. This really means planning your next steps. If you look at your previous successes, you will understand some of the critical points in the sales cycle. These points are indicators in the sense that when they happen, the sale is won the majority of the time, when they don't, the sale usually does not happen. With this information, you can break down the sale, and plan ahead, plan specific actions that need to be taken by the buyer. When they tell you that they are interested and the take those specific steps, interest is validated; if they say they are interested, but take no action, you know you need to do something to change that or find a new prospect.

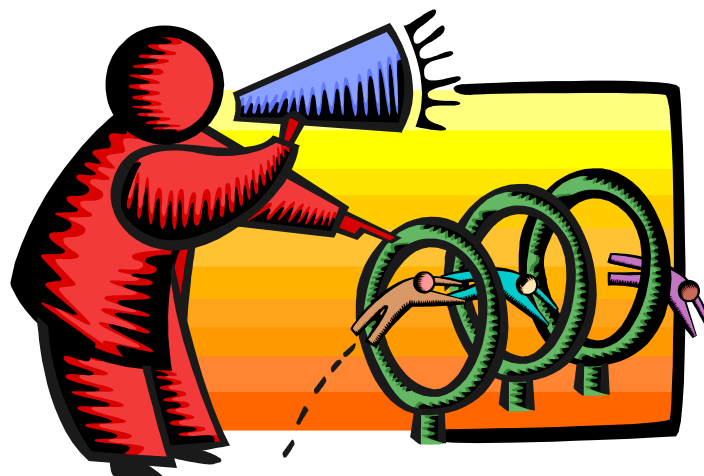
Many sellers do this type of approach intuitively, wireless sellers asking for recent invoices to be able to do a usage analysis and formulate a competitive (not cheaper) plan. In my world, I always ask VP's of Sales to interview three or four of their reps so I can get a complete picture before even thinking of proposing something. If they allow me that, it show full engagement and interest, after all they are willing to "invest" the time of their most important asset, the sales person, to ensure a good outcome, they are demonstrating interest, not just talking it. Plant tours for other sellers, if the buyer won't show you the plant where your product will impact, how interested are they. Again, you will learn where what and how as you look at previous wins and losses.

A different example of this can be seen with an inside sales team we worked with, they were selling a transactional product. 60% of the sales were mad on the first call, 25% were closed on the second call, and 10% on the third. Meaning that about 95% of potential sales were made in three calls or less, yet many on the team were making fourth, fifth, six and even seventh calls. When we surveyed them we found two things, first, most were not aware how many calls it to close a sale. Second, when we asked why they called people back four, five, six, seven times, they told us the buyer said they were interested and were open to another call.

Once we got them to understand that any calls after three had such a low probability of success, that there was no reason to make them. It also helped to get them to focus on why sales were going beyond the first call, what were tangible next steps that would make the second or third call worthwhile. Without those attributes in place, they were encouraged to move on to the next prospect. It is no surprise that their productivity went up, more sales, more sales per rep; simple enough, the time and effort to make calls four, five and six, could one two and three, to the next prospect. In this case it was easy to get them to go past the words they were hearing, and focus on the non-verbal, they adopted “Three- and Out” mantra. Remember, the ones that did not buy, can be revisited again, the time wasted try to sell them on calls four, five and six can’t be recovered. We made being told, not enough.

In the end, I think people inherently not nasty, they find it difficult telling us to go away because they are not interested. So they’ll speak the words that make us feel like we are still in the game, but their actions will show their real level of intent. They hope that eventually we will stop calling due to lack of progress, and we should, and should do it a lot earlier based on the entire picture and communication, not just talk and words.

Demand Capture vs. Demand Creation



We have all heard the expression "Lower Hanging Fruit", implication being the fruit is ripe, heavy to the point where it is pulling down the branch, ready to be picked and enjoyed. In sales it is often thought of as prospects who are perceived "ready to buy" or easy to sell due to a number of factors. "Lower Hanging Fruit" is great if you are a new rep to the company or territory, but in most instances sales professionals need to close more than "Lower Hanging Fruit" to meet or exceed quota.

What should make most sales people uncomfortable about strictly relying on "lower hanging fruit", is the implication that it is easy to grab, there for the taking, and in essence making the rep in question more an order taker than a card carrying member of the sales profession.

This is a real problem in today's environment, at a time when the economy and companies would benefit much more from having some sellers on board, rather than order takers; unfortunately the latter group seems to be more prominent, and growing.

For me the key differentiator is how they view sales to begin with and their role as sales professionals. This leaves us with two groups of sales people, and based on which group the seller see themselves belonging to, drive how they approach and execute their sale. In most instances this breaks down to two groups:

- **Demand Capture** – Those who see their role as capturing demand
- **Demand Creation** – They see their role as creating demand, where others do not see any, and capturing it is a natural extension.

The first group are those who spend their time and effort harvesting demand usually created by others, be that market forces/trends, marketing, innovators forcing the adoption of new processes, technologies or applications, etc. In traditional terms the Demand Capture folks are, for a lack of a better term, order takers.

The second group, those who are adept at creating demand, often in corners and buyers that others miss. They are missed mostly due to outlook, ability, imagination, attitude and work ethic. The hunter.

I don't want to imply that Demand Capture folks are lazy, they just don't see the opportunities where Demand Creation folks see them, primarily due to the way they see and *define* sales and the attitude that definition drives. Since attitude drives actions, we need to start by changing the definition; changing the starting point not only changes the destination, but forces the seller to use a new road map and narrative to get to the destination.

The narrative, the market view of a seller is determined their perception of the state of the buyer. This usually falls into three familiar groups:

Status Quo – Many will tell you that this is roughly 65% - 70% of the buyers in your market. Supposedly satisfied with things as they are, not looking, not approachable, not buying, not a good use of time, zero or minimal chance of closing.

Passively Looking – This group is said to have experienced something that changes their view of the Status Quo, they ostensibly go from a state of satisfaction to dissatisfaction, usually gradually, and while they may not be actively looking, become more prone to being approached as their satisfaction wanes. As a result a good place to spend time, with a higher probability of closing. This group is said to be some 20% of potential buyers.

Actively Looking – Clearly not happy, looking to make a change, some 10% - 15% of the market. All things being equal, the only thing in your way price, quality, and all those unknowns inside the buyers head.

If you buy into the above view, and believe me a large majority of people in sales do, you end up ignoring the first group, focused on pursuing the second and third group. Competing with a very large crowd for an awfully small and very visible part of the market opportunity. The situation is further exasperated by many sales gurus in the "sales enablement" business that have discovered an opportunity to console those sellers afraid of creating demand, there is money in helping people capture demand when it pops up.

How many times have you heard them tell you to do things to help you "be found"; telling you that your buyer will have done upwards of 60% of their "search" and work before engaging with a seller. The mythical self-qualified buyer, leaving you to believe that if you can't be found, you're beat.

Well not exactly!

This may be true for the Passive and Actively looking, but not so for the biggest segment of the buyer pool, the Status Quo. “But there is no action there”, some will tell you. But the reality is that they don’t see the action there, so they tell you to stir clear of it.

So let’s change the definition. The notion of a satisfied buyer not acting is bogus! Studies show ***that 75% of buyers, who switch suppliers or vendors, described themselves as “being satisfied or completely satisfied” at the time they switched.*** Imagine that, a satisfied buyer, abandons his current supplier, and buys from another. Unheard of in the mainstream view, a daily occurrence in the Demand Creators camp!

If you change your view, which changes your attitude, changing what and how you execute, you get different results. Try this definition of Status Quo:

A buyer who is making due, not yet presented with an alternative that meets their requirements!

This puts the onus back on the seller to Create Demand.

Done right, this allows the seller to engage without the crowds and competitors that exist in the “Be Found” sales circles; because really – ask yourself: given the tools and technology available to buyers, the ones touted by the “be found” gurus, the ones the buyer used to find you , what are the chances you’re the only one they find?

Change the narrative, changes the attitude, which changes the actions – changing the results!

Sure you’re asking “how do I do that?”

Stay tuned – the fact you asked is a start. You can start by recalibrating and expanding your perception of the buyer and your role in their success, by reading the following pieces:

Building The Better Question

<http://www.sellbetter.ca/news/building-the-better-question/>

Mine The Gap!

<http://www.sellbetter.ca/news/mine-the-gap/>

Selling Like Greece!



Every morning the financial pundits stick their finger in the air, and tell us how things are looking in Europe, and the Greek crisis, then they parade a series of talking heads to support the daily view. Things look good, markets rally; things look bad, markets tank. Many sales people start their day watching these pundits on say CNBC, or on their favourite app, but fail to take away the clear and real lesson that could help them sell better and more. As a result, they end up selling like Greece.

When you boil it down, the “crisis” (real, manufactured, or imagined), boils down to a simple thing, exemplified best, (or worst) by Greece, a country that simply does not have enough money to deliver against their obligations. Yes I know this may terribly oversimplify things but after all I am a pundit of sorts, and as such at the very least I have an agenda to promote; Greece just does not produce enough revenue to meet their obligation; add the contagion factor, and you have a snap shot of Europe and their crisis. The lesson most sellers fail to take away from their financial viewing is that if you are not generating enough resources, specifically prospects, to meet your obligations, then you will surely fail at delivering quota, and fail badly and consistently. In the case of Greece (poster child for the PIGS group), they are not generating enough revenues to meet the benefits promised their population and to repay debts to other lender countries. For sellers, it is that they are not generating enough prospects to deliver the number of sales needed to meet quota, which is their obligation.

Now while sales is not entirely a numbers game, there is no getting away from the fact that you cannot succeed in sales without relying on numbers. Your goals come in the form of a number, your conversion ratio come in the form of a number, and time is measured in numbers. There is no denying that you need to focus on quality as much as quantity, do ‘a lot’ of something badly will not lead to success, but doing something really well, but not in enough proportion, leads to the same failure, and while it may be a prettier route, the result is the same, missing goal, not delivering to your obligations.

If you track your numbers, and say you convert one of every five qualified prospects in to signed customers, you are going to need 20 qualified prospects if your obligation to your company is four sales a month. Many reps I work with just do not have enough prospects to meet their monthly or quarterly obligations. I know this because we provide them with a tool that captures key data, and helps us understand exactly how many prospects, pre-proposal, and proposals they need to meet their obligations. This is done on an individual basis, and allows each rep to understand their specific situation.

Most do not have enough prospects, and most do not have a plan for changing things for the better. When we ask them the question asked in the video linked to above, namely how will they meet their obligation, they go into a spin like the one you see in the video starting at about the 1:11 mark.

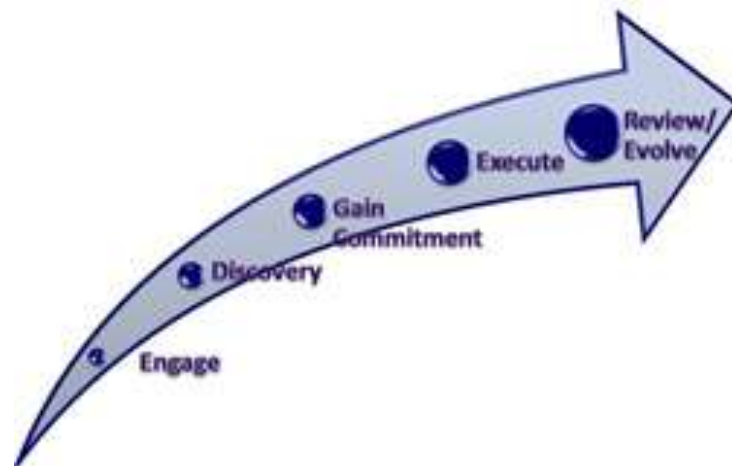
Like Greece, sellers do have some options, they can change the way they do things; perhaps improving their qualifying, improving their discovery process, driving more value, increasing the number of positive responses to their propositions. But they often run into the same reality Greece does when they introduce austerity measures, looking for ways to reduce their obligations while improving their ability to raise taxes. Habits are a lot like people, and they rebel, much like the good folks of Greece do every time their government introduces measures to increase the hope of meeting obligations. Yet another similarity, the degree to which hope, rather than actions are relied on to shape the outcome.

While it would be easy to put everything at the feet of the sales reps, the reality is that their managers and organizations are as much at fault. They may pay lip service to obligations, but often do little to ensure that they are taken seriously, or in fact help in ensuring that the right activities are executed to deliver against those obligations. Like the Greek government, they create an environment that allows conditions to perpetuate the worst habits, entitlement is a two way street, and the reps should not be left to their own to figure out how to alter the outcome.

Many organizations put so much and almost exclusive focus on the outcome in many ways leads to the challenge. Many managers do not stress the inputs as much as they do the outcomes. Creating accountability earlier in the process would have a direct impact on the outcome, but more importantly on the habits and the way their reps execute every aspect of the sale. Rather than taking for granted that activities are being efficiently carried out, they should be inspecting, and, coaching their people to success. Professionals are not beyond coaching, improving and changing, just check the local sports pages.

In the end, Greece can borrow, change the terms of loans, work out arrangements, etc., but sellers can't. If you have a deficit of prospects going into this month, and do not change your approach, you will not only have a deficit in results, but a greater deficit of prospects going into next month. Fortunately many companies are like Europe, rather than insisting on adherence to the means necessary to meet obligations, rather than firing Greece from the Eurozone, or reps from the team, they continue to ride along, hoping for something; maybe a bail-out, or a takeover, or ... ?

Standard Not Stagnant



The great thing about sales is that every day is different, bringing new challenges, or familiar challenges with new wrinkles, testing your skills and agility. This constant change directly impacts both sales people, their sales organization, and by extension their sales process. Some organizations dodge this by not having a process, allowing their sales people to rely on their “creativity” or god given skills to deliver the numbers. One of the risks with this approach is not knowing the quality of their execution efforts until after the numbers are in; in other words, after the fact, and after they can do anything to change the outcome. Given the stats on the level of success of many sales organizations and individuals, it is clear that having a defined and standardized sales process is crucial to success even for companies selling the most basic products.

The good news is that more and more organizations are recognizing the need and moving to respond. Some still face the challenge of non-compliance or lack of adherence to their process, leaving them ahead of where they were before, but still far from they could be. Some leaders I speak to only pay lip service to process, and let their people do what they want. Recently I spoke with a CEO who said “look if they are doing good I don’t want to get in their way.” While I get what he is saying with respect to the star, this sends the wrong message to someone not doing as well, as far as they can see not only do they not have to adhere to the sales process, but the one guy who is making his number is doing it without the process, “so why me, I’ll follow his lead, he is a star.”

The need for sales process is no different than other processes in the company, be it for manufacturing, supply chain, finance, etc. It should be specific to that company, the way they sell SUCCESSFULLY, and could be very different than a direct competitor; it is both shaped by and contributes to a company’s sales culture. As such, it has to be designed if not by, for the sales organization in question. I remember asking a VP of Sales if they had a sales process, he replied “sure, we have Salesforce.com.”

But what you often see is companies who have taken steps to develop a good process, looking at workflows, contingencies, resources and other key elements. They make sure it extends into their CRM, how they train the team, inspect, and generally make sure that their newly developed process is effectively rolled out. Unfortunately at this point, many just tuck it away on a top shelf somewhere, and move on to the next project, after all “we designed, and have implemented the sales process.”

But as with most things, things change. Buyers change, competition changes, markets change, almost everything changes, but often the sales process does not, it sit there on the shelf, or in the CRM, and reflects the realities of the time and market that were current when it was created. It does not capture all the real things that have changed, disappeared, introduced since it was created.

It does not matter what you sell, it is more than likely that your customers’ expectations have changed, the way they buy changed, and the people who were your buyers in those same companies have changed along with their preferences. If your sales process has not kept track, or better yet stayed ahead of shifting conditions, then it is no longer delivering value to you or your sales team(s). Not only are you driving last year’s model, but being hurt by it.

Having a standardized sales process is important, but it needs to evolve dynamically with your markets, you cannot allow it to stagnate. You need to be vigilant to ensure that it reflects market realities and is helping you win deals. If your sales process is not dynamic and evolving, it is likely working against you.

This where a good CRM, compliance, and vigorous deal review regime becomes more than important, it should be a way of life. The best way to capture shifts is to look at every sale you start regardless of the outcome. Too many organization think they know why they win, and blame all their losses on price. After all the easiest way for me to let a sales person down when I don’t award the business, is to tell them their price was too high; they don’t like it, but they can “blame” it someone or something else and avoid the hassle of self examination. (You should consider someone other than the sales person contact the lost prospect, there companies specializing in this)

Examine every win, every loss, and those deals that do not go to decision, those will point to trends and opportunities to adjust your approach to win the next one with the same attributes. Developing a simple, short review process is central to a good sales process. Yes it requires an investment of time, but not much time, and the ROI or return on time is more than worth it. A CRM is handy, especially if your people are compliant, most of the information you need should already be captured as the sale unfolds, and then it is an exercise of filling the blanks and analyzing. With the analysis done, you can adjust – update the process, in effect retooling your teams, and readying not for yesterday’s battle, but for winning today.

Compounding Your Sales Successes



One of the greatest things invented by the financial service industry was “[Compound Interest](#)”⁴. Save for the fact that no one is paying much interest on money these days, the reality of Compound Interest still holds and delivers added gain regardless of how low of high rates are. I was watching a teacher explain the concept to a grade 5 class, and he brought it down to "a little to start, a little from here, a little from there, and over time you end up with more than straight interest".

As you assess your plan for sales success in 2013, you can take advantage of "Compounding" to achieve greater success. Rather than resolving to do new things in new ways in 2013, why not resolve to improve a little here and a little there with things you already do or need to do; but do it in a way that ends up being greater than the individual gains on your efforts.

Let's use fictitious Rep Willy as an example; here are Willy's current ratios:

- Sets 6 new opportunity appointments each week > 24 appointments a month
- 1 of three 3 of the above will go to proposal > 8 proposals per month
- Willy closes 2 of every 4 proposals > 4 closes a month
- Average deal size is \$17,000 > \$68,000 in revenue

Some will tell Willy to focus on one thing and set a goal to specifically and dramatically improve that one aspect of his selling. For example, increase the number of new opportunity appointments by a third, or increase the number of proposals from 1 to 1 1/2 of 3, doesn't sound like much but that is asking for a 50% increase. Good ideas and we all know the old saying about "big audacious goals", but we also know the pressure of big expectations, and the setback of failure.

⁴ http://en.wikipedia.org/wiki/Compound_interest

Instead, let the power of compounding deliver real, sustainable and measurable improvements and results. Look at improving key aspects of your sale by a smaller and more doable percentage, and you will achieve bigger results than having symbolic “big audacious goals”, that are usually more motivating than attainable or ever delivered.

Here is the power of Compounding, let's ask Willy to move the dial by only 10% in all but the close ratio, where we will give him a bit of a stretch, and ask him to go for a 12.5% improvement. This may not be such a stretch given the momentum he will build working on the other ratios, 12.5% is not an extreme ask. Let's take a look:

- A 10% improvement in setting new opportunity appointments per week > 26.4 appointments a month
- A 10% improvement in proposals > 8.8 or 9 proposals per month
- Here is the stretch, 12.5% increase will lead to a close ratio of 56% > 5 closes a month
- Average deal size is \$17,000 > \$88,358 in revenue per month
- **A 77% increase over his previous performance!**

Further, if Willy was a selling a product where he had a bit of pricing discretion, and he normally exercised it to the fullest, and he cut that by a couple of percentage points the delta would be much greater.

The above demonstrates how Sales Compounding works by addressing a little improvement across various activities in sales at a time; it also works for you in another way. Much like reinvesting interest earned, and then earning returns on your returns, you can do the same for your selling. As Willy moves from 24 appointments to 26.4 appointments, say in a period of three months, he develops the habit of improvement, and he continues to apply himself, there is no reason he cannot progress another 10% on top of his first improvement over the next few months, and reach 29 appointments. As that trickles through the cycle, and he makes gains in his other ratios, he will realize better and better results.

The reality is that there is a limit to these gains, and I hope you all max out, but even when you do you will have options. You could achieve success with less time and resources, and more significantly less stress. So stop riding the roller coaster of hope and disappointment of unachievable “big audacious goals”, and get on the Compounding track. Imagine what you can do with your recaptured time and energy, certainly more than when there less predictable opportunities in the pipeline.

Extras:

Selling In The NOW Economy



Originally published January 2009

There is a lot of chatter out there about the great downturn in the economy and its potential impact on you and me. In the sales world, there are a lot of articles popping up all over advising all on how to sell in economic downturns, recession proof selling, five key things to do in a down market, 3 must haves to protect your sales when the sky is falling and a lot more.

In some ways I am reminded of the old saying that a recession is when your neighbour loses his job, and a depression is when you lose yours. I guess the 21st century version in the States is that a depression is when you lose your house vs. the neighbour. And in sales it must be that a recession is when you have to sell on price, and a depression is when you don't sell at all. But that is where the good news is, no let me take that back, that is where reality must prevail. Unless the sky does really fall and the planet implodes, businesses will continue to buy, which by extension means someone is making sales, so why not you?

As sales professionals you know that in turmoil there is opportunity, loads of opportunities. While businesses may buy less, they will continue to buy; some may in fact buy more due to favourable conditions presented for their products. Unlike consumers, businesses can't just "cut back" in the way that consumers do. Businesses may cut back on fringe things, sometimes some on things like travel and entertainment, but if they tend to stay in business through and beyond the downturn, they will still be making purchases. The buying will continue but it will be different, and if you can identify the difference, adopt and respond, you can sell as much as you did in the past, if not more. Especially if you are and will continue to be professional in your approach.

Yes you can sell more, if you continue to meet the times and your competitors don't, you can have yours and some of theirs too. Great thing about this pruning of the herd phase of the cycle is that it does reduce the number of competitors. But let's not pretend that this will be easy. Just as markets and the economy turned on a dime you will have to as well, and while you are coping with that, your competitors will change too, usually not for the better. The result is that in addition to everything else you have to deal with as a sales professional, you will have a few other, new and sometimes nasty things to deal with. I would however argue that at the core, things are not that different than they were a year or two or five years ago, just more intense due to the current phase of the economic cycle.

Let's take a look at some of these and how to deal with them. The changes can be loosely split into two categories:

- 1) How your clients and prospects will react and behave
- 2) How your competitors will react

We will focus primarily on the former, the client/prospect, always a good idea, and more importantly, if you manage that right, the latter tends to be contained.

Needless to say, the pros focus on the customer. Two things customers will do is become even more price conscious than they were before, and, they will be inclined to postpone, defer or just not want to make purchase decisions.

As if price is not an issue at the best of times the current economic climate just compounds and amplifies the issue. More than ever you have to sell on value, and no we don't mean some abstract notion, but tangible value the client/prospect can realize; revenue, profit, cash would be the common ones, but these are exceptional times and you need to bring more. You need to assume a leadership role, and show the client all the benefits they will attain by buying your product from you. This is nothing new and we should be doing it all the time, but you need to turn a price discussion into a total cost of ownership and real ROI discussion.

Doing this will allow you to counteract on one of the things your competitors are sure to do, which is sell not only on price but sell on discounts. Desperate times lead to desperate actions. But you cannot allow yourself to be drawn into this. Discounting in a down market not only costs you revenue and margins now, but will have an ongoing impact when the market recovers.

A simple 10% discount now to meet the challenge of a weak competitor could wipe out all or the bulk of the margin your company may make on a deal. Now you may say "so be it, I make the sale the commission, I did what I had to", but how long can your company stay in business and thrive and develop competitive products if their margins are eroding. How can you truly deliver on going value to your clients if your company is bleeding dry?

Further, if you are planning to stay with your company you are digging a hole that will impact you and the company for years to come. Look at it selfishly, if you do sell on value in hard times, maintain price integrity, not only will you and your company thrive, but when the recovery comes, you will be in a position to increase your price not only based on the value you delivered, the fact that your company has been able to innovate, deliver and improve product. As you get the lift in price, you will earn more commissions; your company earn greater margins, and so on and so on. But if you discount, then when the recovery does come, and you are able to move your price up, all you'll be doing is going back to levels (if that) you were at before the downturn. If you ask me that's no-kind-a-deal-at all! Sort of like buying a car and hitching it to a horse, no?

Right about now I would be asking how can I hold the line on price with all the pressure from clients/prospects and weak kneed competitors? As I said earlier by applying all the methods we should be using in good times but more intently, consistently and professionally. The reality is that if it comes down to price it's not the worst thing. At a time when companies are reviewing priorities, slashing projects and budgets, the fact that they are still at the table talking price is a good indication that they are willing to buy. This may be a much better predicament than the other trend at times like this, which is postponing or not making the purchase decision at all.

But let's forget about us for a minute and think about what the buyer is going through. What are they basing their decision on? To start, most people recognize when something is clearly priced too high; conversely, they also recognize when something is priced way too low. So what are they willing to buy? What can they afford to forego? What are necessary to the purchase?

Well beyond price there are a number of other things that determine a buying decision. Availability is one, after all it may be a bit cheaper but if the client has to wait for the product or service to be delivered, will that have an impact on the total cost structure of their product/service and impact their ability to compete? We do work with some bulk fuel sellers, a true commodity. A cent a litre on 100,000 litres purchased monthly adds up. Until the day that they fail to deliver, and then that penny seems to be worth less in the face of lost opportunities or clients. A trucking company willing to deliver on the cheap is fine until your production line is idle due to a late delivery.

It is up to us as sales people to explore potential issues, to demonstrate the quality we represent through the process we use to sell. It may be difficult to raise some issues for fear of losing the sale, but it is more difficult to let a client down. Through you selling and interview process, you can help the client understand the total risk, and total value of their decision to buy on price. As a client once told me, "I don't have to be the cheapest every day, but I do have to deliver overall value all the time."

In all the examples we have discussed you need to remember and understand the reality that your client also has to compete in the same tough market, and is trying to balance price and value they deliver. Our clients have to elevate their game to deal with the market realities or they will fail to compete, that will not result from them continuously

cutting back on spending or discounting their product. I believe it was a Bell executive who once said "you can't save yourself into growth." So more than ever, you need to take a leadership role in the sale, become an agent of change. Helping your client understand and deal with changes they can and need to make.

Credit, financing and other terms also play a big role in the total cost structure. They may save a few bucks with the other guy, but it may tie up their cash or credit facilities, limiting their flexibilities and ability to act in other areas. So you need to work through the numbers in a way that presents the whole picture, not just the one obvious component.

Some time ago, we did some work with a financial services firm that consistently got 7 to 10 points above the average rate charged by other lenders, no they weren't loan sharks, and they didn't target high risk borrowers. They targeted entrepreneurs with an eye for growth and an understanding of how to fund that growth. For those who took the time to look at the whole picture, they were able to demonstrate the value and opportunity in putting the money to work.

The extra cash allowed them to buy more raw materials at a better negotiated volume driven price. Extra production allowed them to turn out product at a greater volume, at a lower cost per unit, this also improved their return on assets. By selling greater volume they were able to sell at more favourable terms allowing them to reinvest the money quick and accelerate the cycle. This increased velocity allowed them to generate more working capital quicker, increase capacity and margins even with the higher cost of capital.

It took work for my client to engage, involve and educate her clients. She had to have a better understanding of the inner workings her clients' businesses' and how to relate the situation in terms that went beyond just interest rates, those that went more to real total returns. Without that, growth would have been slower, they would have had a different position vis-à-vis the completion; they may have had to hold the line on customer support, and margins and returns would have continued at a less rapid pace. Her sales process allowed her to attain the holy grail of sales relationships: a partner. All with more expensive money, and they all came back for more, rarely discussing the higher rates.

She also realised that this wasn't for everyone; she understood and thoroughly qualified opportunities investing time and resources only in those that fit the profile. She had a clear set of criteria for qualifying prospects, using her time efficiently. As you will also have to, you need to define what you are looking for, how to qualify it and how to let it go when it turns out it doesn't fit the profile. One way to mitigate the price issue is to avoid prospects that are strictly price driven. Part of the process is to segment your territory or market, understand which clients are most likely to help you meet your objectives in the process of you helping them attain theirs. There are a number of practical tools to help do this, but as with most things in sales it is not about the tools, it is about process, outlook and execution. No point in creating qualifying criteria if you

don't adhere to them, especially when times seems tough, you can't just abandon all the rules for a quick hit with lingering effects.

But isn't it better to spend time with the right client/prospect willing to act rationally than to be part of a "how low will you go" line up. One good full price customer who gets it is worth three discounters who are just going to continue to beat you up, harass you day in day out and suck up your resources. It's a trap of a different sort, once you bite you'll be stuck because you need the revenue and you've put in the time. You can say that you're going to go out and find new customers, but the phone rings, and it's them with more questions or demands; or its finance calling to see when the invoice will be paid, so now you have to call them. Come to the light side Willy Loman.

Other components of the structure include but are not limited to factors such as research and development which speaks to innovation and your company's and products ability to support the clients' objectives, another area where price can't compete.

Your ability and willingness to respond to clients in areas such as invoicing and or your propensity to advocate for the client, can all demonstrate that your company will continue to move forward and deliver continuous improvement to the offering, then you will be in a position to hold price, after all there is a direct return on their investment and they too will be able to pass on the cost for the same reason.

Again, you have to get involved in your clients' business. Not the day to day operations, but where they are, why they are doing things the way they are, how they could change or improve areas, and help them avoid risk and accelerate opportunities. This does mean you will have to be more selective, lead, and be proactive even more so than in up markets, but that is a by-product of the down economy.

The other tendency many buyers have during times like these is to postpone purchase decisions. Saying they can live with things as they are now vs. the change we represent. This is clearly more of an issue with purchases that are not mission critical products/services. Having said that there are many purchases which may not on the surface appear to be mission critical but could in fact be a real difference in the NOW economy. For example a CRM package, a new communications system, at the risk of sounding self-serving, sales training. At first all may appear to be expenses, and therefore easy to postpone, but looked at in the proper light, a new document management system that pays for itself in 9 months could be a prudent choice even though it is a capital outlay.

The opportunity is lead the process and educate the prospect on the upside for them. This does not mean “lecturing” the prospect, but we discussed above, leading the process of mutual value definition. Not focusing on your value proposition, but executing a mutual and interactive process, where the client and you are able to define agree on and attain value.

The other key is to be selective. Many prospects will not buy, and that is OK, what’s not OK is you continuing to pretend that they will buy when all the objective (and usually subjective) signs indicate that they will not buy, at least now. It is crucial that you have a clear process for qualifying opportunities, and the wherewithal to remove the pretenders from your pipeline. This takes planning and discipline. But as you can see from a couple complementary pieces in the daily blog edition of The Pipeline, the risk in hanging on because times are tough are high, and the cost, time, is non-recoverable. Again the key is to have a pipeline with sufficient number of real prospects who are actively involved in the sales, and continue to meet your qualifying criteria. If not then you are wasting time and resources. Many reps have opportunities in their pipelines that really don’t belong there, if they were removed, their pipelines would be frighteningly thin. Remember, a fat pipe equals options; a pipe full of anemic and anorexic opportunities is not the same as a pipe full of healthy plump opportunities.

In both of the conditions discussed above, the key is to remember that if you sell well, in a consistent and professional way, following and methodically executing a defined sales process, you will succeed in all markets where people are buying. Unless the sky is falling, we all have to sell in the prevailing economy, the NOW economy.

Brother, can you Spare a Sale?



Originally published 2007

Last year there was a major controversy in Toronto around panhandlers and others on the street and their impact on tourism and the like. All this was sparked by an unfortunate set of events. Of course the solution proposed by the ever enlightened leadership in the city was to ban all these people. As there was no rug on the street, I guess they were proposing that they be swept under the side walk. This of course stirred further controversy and debate on the street, in the papers and talk radio, my favourite media vice.

I know, you're reading this wondering what this has to do with cold calling, but stay with me.

One caller into the radio had a great suggestion, they were joking, but I think they missed the brilliance of their suggestion when looked at from my perspective. The caller suggested that we should take all the panhandlers put them in suits, and give them all jobs as cold callers. They clearly had no issues engaging strangers; no fear of rejection; no call reluctance, and they seem to have the proper work ethic as they were putting in a full day of work every day without costly supervision. He was right; there was no flaw in his observation.

When you think about it, why do the people on the street panhandle? You would think that for the majority it is very simple, if they do not, they will not eat; simple straight forward. There are of course those few who are out there because they can make loads of tax free money, and they earn more net panhandling than others do at work. The question still stands, how do they overcome the fear of walking up to strangers and asking for money? As a sales rep we usually only have to ask for the appointment, they go right for the gusto and ask for the close! How do they find the discipline to do it day in day out 5, 6, 7, or even 8 hours a day? They understand that if you don't initiate the process, there is little chance of reaching your objective. I wonder if they know their ratio of approaches to cash.

Unlike many sales people, they do not spend time trying to figure out who to call and who not to call. They don't pretend to be clairvoyant and be able to divine if someone is a buyer or not just by looking at their business cards or faces. They just systematically and consistently approach everybody in their territory; they make the call and deal with the results and the rewards.

They also do not spend a lot of time planning and researching, or any of the other things that seem to consume the prospecting time reps set aside. Once they get to work, they make sure that they have what they need and then spend their time executing rather than rationalizing.

They also do not fool themselves that their "pipeline is full", "I need to work on what is in the pipe and then I can prospect", they are never too busy planning and hoping. They execute. They have a system and process and they execute. They don't worry about interrupting or bothering their targets, they just approach, present their value proposition "need to eat", and execute. If someone says no, they are that much closer to the next close.

I am not suggesting that we become panhandlers, (although I am sure some of the ones on the main streets of Toronto are making more than sales people in Toronto), but I would encourage everyone to stop and ask why the panhandler can consistently act and execute.

About the Author

Tibor Shanto - Principal, [Renbor Sales Solutions Inc.](#)

Tibor Shanto has been a sales leader for over 25 years, helping companies achieve and improve their revenue goals. Initially as a sales rep, then progressing to leadership roles with companies including Globe and Mail, Dow Jones, Factiva and Reuters. Tibor has been called a brilliant sales tactician, helping sales teams and organizations to better execute their sales process. As a principal with Renbor Sales Solutions, working with leading B2B sales organizations improving critical aspects of their sales cycle, including shorten sales cycles, increase close ratios, and create double digit growth through the execution of their strategy by using the right combination of strategic and tactical execution supported by metrics and our [Follow-Through Action Plan](#).

For last nine years Tibor has worked with [leading companies](#), helping them achieve [sustained behavioral change and success](#), leading them to say: [“We look forward to an ongoing relationship with Tibor, who for my money is Canada’s number one sales trainer.”](#)

Tibor co-authored the award winning book on Trigger Events (see below), and contributor to Office Technology magazine, ChannelBuzz, Today’s Trucking, Globe and Mail Report on Small Business, www.chamberofcommerce.com, and others.

Prior to Renbor, Tibor spent 10 years with Dow Jones; after launching their Canadian business and building a solid team and revenue base, with double digit CAGR, Tibor was appointed Sales Director for Canada and The Central USA. As Director of Sales Strategy, I developed a very forward thinking global Sales Training program and was instrumental in building their Client Solutions organization.



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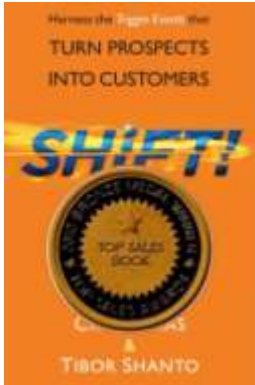
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