



CAIN SALES SOLUTIONS

## **5 Keys to Effective Prospecting** **Michelle Cain, CSP**

Prospecting is generally not a favourite activity for sales people. However it is an important and necessary activity to help the sales professional become, and stay a top performer. Why? Sales revenue is derived from the number of customers you have, along with the number of transactions they do and the average dollar sale. The number of customers you have is derived from the number of prospects you have and the rate at which you convert them to customers. We also know that some customers will be lost due to a myriad of reasons, some of which will be beyond your control. So there are two primary routes to increasing your sales results. The first is to increase business with existing customers, and the second is to find new prospects and win their business.

Prospecting can be defined as the art and science of finding and filling your sales funnel with qualified candidates that have a need for the goods and/or services you are representing. This means that you not only have to find these candidates, you have to communicate with them enough to establish two things:

1. A genuine need for the products and/or services your firm offers
2. A willingness to meet with you to understand the value your products and/or services can provide

I would suggest that without these two conditions being met, what you have is a suspect not a prospect.

So how do you become an effective prospector, where you can build and maintain a solid sales funnel of good qualified candidates? The following five keys are the building blocks to providing you with a solid foundation in the prospecting process.

### **1. A Winning Attitude**

In his book “How to Become a Rainmaker” author Jeffrey Fox makes the point that “Earthquakes Don’t Count”. He tells the story of how a regional sales team from California missed their chance for valuable prizes in a national sales contest. Surely, they argued, given that we had an earthquake 3 weeks before the contest ended, we should be awarded the prizes even though we did not meet the goal. The product manager, even under pressure from the VP of Sales, stood his ground and refused to award the prizes. The following year there were record blizzards in Chicago, flooding along the

Mississippi, a brownout in New York and a political crisis in Washington. However, the expectation had been set the previous year and the sales force knew what was expected of them. Every region in the country hit their target, California came in first and everybody was awarded a prize.

The point is that there are always going to be barriers and obstacles in your pathway to success, in every part of your life. You can let those barriers and obstacles defeat you in business and in life, or you can adopt a winning attitude that finds ways around those barriers and obstacles.

So what does a winning attitude consist of? It's an internal confidence that comes from working hard, being prepared, and knowing that you will find a way to prevail no matter what situation you encounter. Action International, a global business coaching firm, describes it as making the choice between above the line and below the line thinking. Above the line thinkers take ownership, accountability and responsibility for their actions and become victors. Below the line thinkers use blame, excuses and denial and ultimately become victims of their own making as a result.

In his book "The Psychology of Winning" author Dennis Waitley sums it up as ""There are two primary choices in life: to accept conditions as they exist, or accept the responsibility for changing them."

While a winning attitude is an important life skill, it certainly pays dividends in the prospecting process. It provides you with the drive and motivation necessary to consistently expend the effort and energy to find and engage those new prospects so vital to your overall sales results.

## **2. Goal Setting**

Setting goals is another important component to help guide your successful prospecting efforts. As Norman Vincent Peale said "All successful people have a goal. No one can get anywhere unless they know where they want to go and what they want to be or do"

Goal setting will help you define not only what you need to do, but how much of it and by when in order to meet or exceed your sales targets. Reviewing your progress against your goals will also let you know whether you are on track or off track with your prospecting efforts. It is also an important first step in creating a prospecting action plan.

In their professional development programs the Canadian Professional Sales Association talks about the need for all goals to be S.M.A.R.T., an acronym for:

**S**pecific  
**M**easurable  
**A**chievable  
**R**ealistic  
**T**ime Bound

As an example, a goal for prospecting may be as follows: “To identify and engage 30 new prospects in the next 3 months”.

This meets the S.M.A.R.T. criteria and if you know your average length of your sales cycle, conversion rate and average \$ sale, it will also help you forecast sales results from new clients. If the results are not what you need to meet or exceed your quota, then you may need to become more aggressive on your prospecting goals.

### **3. Targeting**

It is a fundamental law of sales that not all clients/customers are equal. Some have more potential, some are growing rapidly and need help, some are better credit risks and some are just easier to deal with. Many organizations look at their customer list and classify their customers as A’s, B’s and C’s. Given that the goal is to generate more “A” type customers, targeting becomes the process by which you can help make this happen.

Targeting is a critical step to ensure that your prospecting efforts are directed to the clients or customers that are both attractive for your business and those that you can provide value to. This process will ensure that you receive the best return on the time you have invested in the prospecting process as well as help you increase your closing ratio.

Targeting starts at a high level, first by identifying the industries, and sub industries that are best suited to the products and/or services your company provides. The North American Industrial Classification System (NAICS) makes this a relatively easy exercise. NAICS was developed jointly by the U.S., Canada, and Mexico to system for classifying business establishments.

Once the industries have been selected, it becomes easy to identify prospects in those industries. Many publicly available databases, as well as purchased databases utilize the NAICS classification to help sort and find companies. With a list of the companies in the appropriate industries on hand, there are some questions to answer:

- Do they have a current need for your products and services?
- Is the company in a growth stage, static or in decline?
- How large is the potential?
- Can we be profitable with this account?
- How important are our products/services to their business?
- Do we have any history with this account?
- Do we know any of the decision makers?
- Will our products and/or services be of value to this company?

While this step requires some research and an investment of time to answer the aforementioned questions, the net result is a list of qualified, attractive prospects that need what you have to sell.

#### **4. Planning & Preparation**

With our list of prospects in hand, the next step in successful prospecting is to put together a plan of attack. Further research may be required to better understand the prospect's business and identify the point of entry into the company. It is also important at this stage to develop an impact statement for your company. An impact statement should be a brief description of your organization which includes:

- 3 to 4 sentences that create an image of the company you are representing
- a highlight of the key points your company has to offer
- how your products and/or services will benefit the individual or organization

Another key piece of preparation involves developing the scripts that can help guide you during your initial conversations with the prospect company. These scripts will vary depending upon whether you are talking to a gatekeeper or a decision maker, however they will help keep you on track and ensure that you are asking the right questions to receive the information you require.

As part of your planning it is necessary to determine how much time you will set aside each day or week to focus on prospecting. One way to answer this question is to start with the end in mind. As an example, if you know that meeting or exceeding your sales quota depends upon generating \$500k in revenue from brand new customers, and your average \$ sale is \$25k, then you need to secure 20 new accounts. If your conversion rate is 40%, that means you will need to make 50 proposals to new customers over the course of the next year to make or exceed your quota. The final step is to determine how much time and how many contacts you will need to make to generate 50 potential business opportunities.

Finally, pull your prospecting plan together and commit it to paper. Identify your goals and the actions you will undertake to create success in your prospecting efforts. Make sure that the goals follow the SMART (specific, measurable, achievable, realistic and time bound) criteria we discussed previously. Also identify when the actions will take place and leave room for a status update column so your plan becomes a tool that will help keep you on track and on time.

#### **5. Execution**

It is now time to go live. This is the opportunity to initiate the actions that will help you secure the initial meeting and advance your chances of making a sale. Depending upon your strategy, the first step may include a preliminary direct marketing initiative to introduce you and your organization. At some point however, you will need to get on the phone and attempt to book an appointment. When you make that call, it is important to utilize your previous planning and scripting, as well as effective communication strategies to further your position with the prospect company.

It is also important to make use of all contacts within the prospect company to acquire the information that will increase your chances of a sale. Gatekeepers, whether they are receptionists or administrative assistants, can be important to your success. They are there to help the decision makers be more productive, and make decisions about granting some form of access to the decision maker. If they are engaged with the professionalism their position deserves, they can often provide information that will be helpful to advancing the sale, as well as helping you set up the appointment that you desire. If you are fortunate enough to get the decision maker on the phone, the impact statement

Successful prospecting requires time, energy and discipline. You need to build it into your daily or weekly activities in order to reap the rewards that come with developing brand new customers. Get in touch with your internal hunter, and as Nike said in their famous advertising slogan, “**Just Do It**”

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