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How to Build a Sales Pipeline

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How do you get prospects who are not looking for the “things” you are offering to start to look? Many of my clients have asked me what their sales people can do to increase their pipeline with qualified leads. The simple answer is to spend more time on effective business development activities. Such activities necessitate at least 20% of a sales reps time.

How do you get prospects who are not looking for the “things” you are offering to start to look?

Many of my clients have asked me what their sales people can do to increase their pipeline with qualified leads. The simple answer is to spend more time on effective business development activities. Such activities necessitate at least 20% of a sales reps time and include, but are not limited to:

- Networking with existing friends, colleagues, and acquaintances.
- Attending industry/trade meetings and walking the floor
- Securing speaking engagements at local and regional associations or interest groups
- Hosting breakfast meetings for like titles
- Cold and warm telephone prospecting
- Direct mail/e-mail/fax prospecting followed up with direct telephone calls

The most effective way to build one's pipeline is to engage in a five to seven touch-point campaign combining direct mail introduction, followed by phone calls, in a very specific sequence. The thing I don't understand is that most sales reps know that sequence, but most sales reps will also stop doing it if they can find any excuse to use their time somewhere else.

So Where Do We Start?

Warren Culpepper, author of the Culpepper Report, writes that there is a 5-year cycle in IT purchasing. Therefore 20% of your total potential universe is actively looking for a way to improve its operation through the use of your technology at any given time. By the way, your competition knows that too. It also means that 80% is not actively looking at any given time. Not looking means that they do not perceive, at this specific moment, that they have a need to satisfy, a goal to achieve, or a challenge to address. So my question is: Do you want to spend your time calling on the same universe that the rest of your competition is also calling on, or do you want to spend your resources and energies calling on the 80% that are not actively looking today, and bring to the forefront of their priority the understanding that their operation does need your offering to help them achieve a goal, solve a problem, or satisfy a need? Imagine two companies, one that is looking and one that is not. Both have similar profiles, work in the same industry, and have a similar history. Do you think that their C level executives share similar goals? If no one has contacted them because they are not looking at that present moment, do you think you could leapfrog your competition if you were to call

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on them first, and get them to discover that they need your offering?

So What Works, and What Does Not Work?

The Kenan-Flagler Business School of the University of North Carolina interviewed senior business executives to understand the circumstances under which they would accept a telephone call from a salesperson. The findings were as follows:

	Always	Usually	Occasionally	Never
A recommendation from someone inside the Company	16%	68%	16%	0%
A referral from outside the Company	8%	36%	44%	12%
A letter(s) from a salesperson followed by a direct call	4%	25%	40%	31%
A contact at an off-site meeting	3%	16%	28%	53%
A direct telephone call from a salesperson	0%	8%	19%	73%

This research clearly shows that cold calling does not work very well. Although important to do, (as one the business development activities), a sales rep could quadruple her chances to reach the desired executive if the call was preceded by one or two introductory emails. Such emails or snail mails would sensitize the executives to challenges, pains, or goals (s)he could relate to. We suggest a five to seven touch-point campaign using email, snail mail, and phone calls for the highest return.

Whom Should I Call On?

Now, before you even think of sending an email or making a call, it would be important to identify whom to call. While for some sales reps it appears obvious, I would recommend that for each potentially important account, a targeted conversational list be developed. The two main reasons are that "You can't sell to someone who can't buy" and "Buying is always a committee decision". Another thing that amazes me is the length of time and number of resources sales reps and companies spend talking to people that have no buying power or no idea or understanding of the prospect's critical business issues that would justify them buying from you. Often we talk about "the power line", this imaginary dividing line that exists between executives that have a budget to manage, and those that can create/define/allocate a budget. When your sales people call on a company to create a vision of what the prospect could do with your offering, are they better off calling above or below the line? Would her opportunity be better qualified if she was able to talk with the "above the line" decision maker who has the authority to secure unbudgeted funds? Would her opportunity be better qualified if she could get the prospect to realize that the way they do business is costing them ten times more than the benefits they could generate by implementing your offering? Would her opportunity be better qualified if her sales cycle was aligned with her prospect's buying process? Remember, "People buy from people who empower them to achieve their goals".

What Conversation to Have With a Specific Title?

How many times have you been delegated down to the project manager when you started to have a product feature function monologue with a C level executive? Aside from being upset, did you understand why? People get delegated to people they talk and act like. Should you prepare yourself to talk at the level of the title you want to reach? Of course you do. But many sales executives do not know how to get ready for such calls, nor are they interested in taking the time or applying the discipline necessary to prepare. Our suggestion is that Marketing is, or should be, responsible for preparing the necessary conversational tools and prompts for sales people to have intelligent conversations around critical business issues with their prospects' C level executives. We

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recommend you check into the process called Sales Ready Messaging to create these conversational prompters, scripts, tools, and aids. You will empower your sales people with the information and the discipline to have these intelligent conversations and marketing will once again become relevant to the sales organization. We call this “loading the lips” of the sales people with business issues and information relevant to a conversation with a C level executive, while staying far away from product demo or technical presentation.

Your Next Steps

After having identified the universe for your offering (territory plan), having decided whom you should be calling on (targeted conversational list), and after having created the tools and prompters for your sales people to engage in prospecting and selling your offering (sales ready messages), it is also important to remember to:

- Write your prospecting letters
- Pick up the telephone and call
- Manage the rejection that comes with selling
- Set aside “sacred time” on your calendar dedicated to prospecting (at least 20% of your time)
- Track your response rate and successes
- Change your message if it does not work
- Be prepared to have that conversation if the prospect says: “Tell me more, I am interested”

Spending an equal amount of time or more prospecting with people that are not yet looking, will generate better qualified, less competitive, and an easier selling cycle than focusing on those prospects that are already looking. That said, if you get a call from someone who really wants to buy from you, please take the order.

Philippe Lavie is president of KeyRoad Enterprises, an affiliate of CustomerCentric Systems. KRE helps companies implement customized sales processes designed to drive increase revenue and greater accuracy in their pipeline management. Based in San Francisco, California, Philippe can be reached at: plavie@keyroad.com.

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