CHAPTER 5
STRATEGIC PROSPECTING AND PREPARING FOR SALES DIALOGUE
LEARNING OUTCOMES

1. Discuss why prospecting is an important and challenging task for salespeople
2. Explain strategic prospecting and each stage in the strategic prospecting process
3. Describe the major prospecting methods and give examples of each method
4. Explain the important components of a strategic prospecting plan
5. Discuss the types of information salespeople need to prepare for sales dialogue
1. Overview of personal selling
2. Building trust and ethics
3. Understanding buyers
4. Communication skills
5. Prospecting and preparing a sales dialogue
6. Planning a sales call and presentation
7. Delivering a sales call and presentation
8. Addressing concerns and getting commitment
9. Expanding customer relationships
10. Adding value – Self leadership
PROSPECTING

A process designed to identify, qualify, and prioritize sales opportunities, whether they represent potential new customers or opportunities to generate additional business from existing customers.
Prospecting is an important activity for salespeople because it is the primary means of generating revenue and guarding against the effects of customer turnover.

While it's possible to increase revenue by raising prices, the most effective way to increase revenue and grow market share is to acquire new customers.

Customer turnover is inevitable, prospecting allows salespeople to keep new customers who replace those that are lost.

While it is possible and even desirable to grow business with existing customers, it is unlikely that such growth could ever be great enough to make up for business lost to turnover.
# Importance of Prospecting

Those who do not regularly prospect are operating under the assumption that current business with existing customers will be enough to generate desired level of revenue.

<table>
<thead>
<tr>
<th>Causes:</th>
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</thead>
<tbody>
<tr>
<td>• Rise in competition</td>
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<tr>
<td>• Change in market conditions</td>
</tr>
<tr>
<td>• Dissatisfaction with the product, salesperson, or selling firm</td>
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## Causes:

- Salespeople lose customers due to lack of prospecting.
- Extremely important to salespeople.

**IMPORTANCE OF PROSPECTING**
Customer-bases are not permanent, salespeople may lose customers due to:
- Low satisfaction
- Competition
- Economic fluctuation
- Other forms of attrition

The prospecting process is can be long
- It may take weeks to replace a lost customer with a new one
- Revenue streams can fluctuate if “pipeline” isn’t managed

Prospecting isn’t easy and often includes a lot of rejection
THE STRATEGIC PROSPECTING PROCESS

- Generate sales leads
  (qualify sales leads)
- Determining Sales Prospects
- Prioritizing Sales Prospects
- Preparing for Sales Dialogue
- Remaining Stages in the Trust-Based Sales Process
STRATEGIC PROSPECTING PROCESS

Sales Leads or Suspects
- Generated from Internal or External Sources
- Lead Generation Methods Should be Managed

Qualifying Process
- Need?
- Financial Resources
- Authority to Make Purchase Decision

Prioritize Sales Prospect
- Prioritize Prospect List
- Initiate Pre-Call Planning

Ideal Customer Profile: The characteristics of a firm’s best customers or the perfect customer.
WHY IS PROSPECTING SO DIFFICULT?

• Prospecting is difficult for some salespeople because it is a process filled with rejection.
• This is problematic to some salespeople for some reasons.
  • Many salespeople fear or, at least, don’t like rejection.
  • Because it is filled with rejection, many salespeople may feel that prospecting is an inefficient use of their time.
• In either (or both) case(s), salespeople will find prospecting difficult because they will not allocate resources necessary for making this process more effective.
EFFECTIVE PROSPECTING
GENERATING SALES LEADS

• The first step in the strategic prospecting process
• Identify sales leads or suspects
  • Organizations of individuals who might possibly purchase the product or service
• Lead generation is the initiation of consumer interest or enquiry into products or services of a business.
• Leads can be created for purposes such as list building, e-newsletter list acquisition or for sales leads.
<table>
<thead>
<tr>
<th>Cold Canvassing</th>
<th>Networking</th>
<th>Company Sources</th>
<th>Commercial Sources</th>
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</thead>
<tbody>
<tr>
<td>• Cold Calling</td>
<td>• Centers of Influence</td>
<td>• Company Records</td>
<td>• Directories</td>
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<tr>
<td>• Referrals</td>
<td>• Noncompeting Salespeople</td>
<td>• Advertising Inquiries</td>
<td>• Lead Management Sources</td>
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<td>• Introductions</td>
<td>• Social Media</td>
<td>• Telephone Inquiries</td>
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<td></td>
<td>• LinkedIn</td>
<td>• Trade Shows</td>
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<tr>
<td></td>
<td></td>
<td>• Seminars</td>
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**PROSPECTING METHODS**
LINKEDIN FOR PROSPECTING
5 EFFECTIVE WAYS TO USE LINKEDIN FOR SALES PROSPECTING
1. JOIN RELEVANT GROUPS

- LinkedIn Groups are a great opportunity to target people with certain interests and skills.
- After the group admin approves your join request, you can contribute to existing discussions, as well as start your own.
- Look for groups filled with professionals that match your ideal customer profile.
  - For example, if you sell email marketing software, your prospecting targets probably include email marketing professionals. In this case, you’d want to join groups related to email marketing:
- LinkedIn groups examples
  - Once you’ve joined, comment on posts and answer questions to build your voice and authority among potential customers.
  - Remember to offer value before talking about your product or service.
2. USE SEARCH FILTERS

- Most reps don’t realize how advanced LinkedIn’s search function really is.
- Behind the small white field at the top of your profile is an intuitive search engine that lets you narrow down your search using specific filters.
- For example, if you’re searching for “Payroll Manager,” you would type that in the search function and then choose “People.” You could then target prospects further and filter by:
  - Connections (1st, 2nd, 3rd)
  - Connections of
  - Locations
  - Current companies
  - Past companies
  - Industries
  - Profile language
  - Nonprofit interests
  - Schools
- So if you want to target payroll managers at a sporting goods company such as Nike, you can just use the “current companies” filter and choose Nike as the company:
GET COMPANY SPECIFIC - NIKE
<table>
<thead>
<tr>
<th>Connections of</th>
<th>Locations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Add connection of</td>
<td>Add a country/region</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Current companies</th>
<th>Past companies</th>
<th>Industries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Add a current company</td>
<td>Add a previous company</td>
<td>Add an industry</td>
</tr>
</tbody>
</table>

- 1st
- 2nd
- 3rd+
- United States
- San Francisco Bay Area
- Greater New York City Area
- Greater Los Angeles Area
- United Kingdom

- Google
- Facebook
- LinkedIn
- Salesforce
- Forbes
- Google
- Microsoft
- Oracle
- IBM
- Yahoo
- Marketing & Advertising
- Computer Software
- Internet
- Information Technology & Services
3. SCROLL THROUGH “PEOPLE ALSO VIEWED.”

- “People Also Viewed” is a column in the right sidebar of a public profile.
- It tells you who else is looking at besides the profile you’re viewing—and it’s probably individuals who have similar traits to your contact.
- This feature can offer valuable insight into a prospect’s network and lead you to key decision makers.
- For example, take a look at the “People Also Viewed” column from car fleet company Avrios’ Founder & CEO, Andreas Brenner’s LinkedIn profile:
4. TWEAK YOUR PROFILE FOR SALES

With a few quick changes, you can turn your LinkedIn profile into a prospecting machine.

Because the folks you’ve engaged with through groups and direct outreach will most likely visit your profile to learn more about you, it only makes sense to optimize your profile to impress prospects.

Make sure your headline conveys what you offer and who you help. For example, if you sell enterprise accounting software, a good headline might be:

“I help B2B companies minimize costs through accounting solutions.”

A well-crafted headline gives off the impression that you’ve taken time to make the rest of your profile appealing, too.
5. SEND INMAIL MESSAGES.

InMail is LinkedIn’s internal email system.

It gives sales reps the ability to send direct messages to any LinkedIn user without requiring an introduction.

As you can probably imagine, it’s a goldmine for sales prospecting.

The only requirement is that you need to have a Premium LinkedIn account to access InMail.

Depending on your level of subscription, you only have a limited number of InMail credits per month, so use these messages sparingly and strategically.

Want to impress the brand manager of Walmart? Whether you’re a dedicated consultant, the VP of Sales, or a company representative, make your InMail customized and compelling. Here’s an example for inspiration:

Hi Brad,

I came across your profile in the Email Marketing for B2B group, which we are both members of. I thought I’d introduce myself to you because I’m currently working with people and companies that are incorporating videos into their email marketing campaigns.

I’m part of the creative team at BFF (BestFootForward). We help companies achieve a better ROI on email, making them more accessible, interactive and enjoyable. I am connecting with professionals like yourself to provide free consultations to assess your email efforts and explain video’s effectiveness.

Would you be able to spare 10 minutes for a chat? If there is a colleague of yours that would be more appropriate to write to about this, please let me know and I’ll contact them personally.

I look forward to hearing from you,

Emilia Blackwell
COLD CANVASSING

• When a salesperson contact a sales lead unannounced with little if any information about the lead

  Cold calling is the most extreme – salesperson merely “knocks on doors” or make telephone calls to organizations or individuals.
  • A lot of rejection in cold calling
  • Referral – a sales lead a customer or some other influential person provides
  • Always get permission to use the person’s name when contacting a prospect
NETWORKING
Salespeople can use electronic or social networking to enhance prospecting in a variety of ways.

First, social networking sites (e.g., LinkedIn and Plaxo) can help salespeople identify prospects, either directly or through referrals.

Second, salespeople can use social networking to learn about the prospect and the prospect's organization, either from the prospect's social networking page or from other members of the social network who are familiar with the prospect.
COMPANY SOURCES

- Company Records
- Advertising Inquiries
- Telephone Inquiries
- Trade Shows
- Seminars
PUBLISHED SOURCES

• Directories
  – Hoovers
  – Harris Directory
  – Moody’s industrial Directory

• Commercial Lead Lists
  – Sales Genie
  – infoUSA
  – Others

• Other Web Sources (including use of NAICS)
  – (pronounced "nakes") stands for North American Industry Classification System
Survey asked dozens of sales and marketing experts to find out which lead generation methods yielded the best results for themselves or their clients. Following are their top nine suggestions on where and how to find new customers.

1. **Customer referrals.** Dogs may be man’s best friend. And diamonds may be a girl’s best friend. But customer referrals are an organization’s best friend.

2. **SEO, SEM and PPC.** "The best way (in terms of lowest cost per acquisition) for an IT company or a service-based B2B company to generate leads is through pay per click (PPC) and search engine optimization (SEO)," says Gabriel Shaoolian, the CEO and founder of digital agency Blue Fountain Media.

3. **Cross-promotions and co-marketing.** Consider forming "alliances with complementary, noncompetitive vendors to exchange leads, promote each others’ products and services, or any number of other mutually beneficial activities," suggests Rodrigues.

4. **Providing useful content.** "According to Google, tech buyers consume an average of 14 pieces of online content before making a buying decision (as opposed to just eight to 10 for the typical buyer)," says Kathleen Booth, owner and CEO, Quintain Marketing, which provides small to midsized businesses with end-to-end marketing solutions. "Companies that produce educational or informative content can establish thought leadership and generate leads earlier in the buying process, setting the stage to ultimately win the business," she notes. "It may sound counterintuitive," she continues, "but the key is to avoid selling. By offering prospects helpful information in the form of blogs, whitepapers, ebooks, webinars, case studies or demos, you can win their trust and their business."

5. **Speaking at trade shows, conferences and industry events.** "The best lead generator is to give an event presentation and follow it with customized letters, calls or emails to individuals that you met [there]," argues Susan Carol, CEO, Susan Carol Associates Public Relations.

6. **Using LinkedIn.** "Our customer research showed that traffic from LinkedIn generated the highest visitor to lead conversion rate (2.74 percent), almost three times higher than Twitter (.69 percent) and Facebook (.77 percent)," says Mike Volpe, CMO of HubSpot, a provider of inbound marketing software.

7. **Using Twitter.** Use Twitter "to promote sales, products or services... and utilize hashtags so that potential clients can find your sale or topic," suggests Kimberly Judd-Pennie, the founder and CEO of CyberMark International, an integrated marketing firm.

8. **Providing contact information on every website page.** "With search engines being such an important driver of inbound website traffic, you can’t always predict where people are going to enter your website," notes Jonathan Bentz, marketing manager, Netrepid, a provider of professional services. "Having your contact info on every page of your website increases the likelihood that people will contact you."

9. **Live chat.** "We added a live chat box to our website and generated a request for quote the very first night!" says Bentz. "I can’t stress how important that was for a proof of concept, especially since most IT pros are looking for fast answers without possibly getting stuck on the phone with a pushy salesperson."
DEVELOPING A STRATEGIC PROSPECTING PLAN

The most productive salespeople follow a strategic prospecting process/plan

- Generating leads
- Qualifying leads to identify true prospects
- Prioritizing prospects so best sales opportunities can be pursued

Plans help salespeople continuously improve their prospecting effectiveness

Should fit the individual needs of salesperson
DETERMINING SALES PROSPECTS

- Hardest part is to evaluate leads to determine which ones are true prospects for their product or service.
- Evaluation process = Qualifying sales leads
  - The salesperson's act of searching out, collecting, analyzing information to determine the likelihood of the lead being a good candidate for making a sale.
- Qualified sales prospects are leads who:
  - Have a need for the product or service.
  - Have the budget or financial resources to purchase the product or service.
  - Have the authority to make the purchase decision.
PRIORITIZE SALES PROSPECTS

• Even though qualifying process culled out the least promising leads, the remaining prospects do not all represent the same sales opportunity

• **Salespeople prioritize the make sure they spend most of their time on the best opportunities**

• Create an ideal customer profile

  • The characteristics of a firm’s best customers or the perfect customer

  • A second approach is to identify one or more criteria, evaluate sales prospects against these criteria, and either rank all of the sales prospects based on this evaluation or place the sales prospects into A, B, and C categories, with A sales prospects representing the best sales opportunities.
PREPARING A SALES DIALOG

The final step in the strategic prospecting process

Prepare for the initial contact with a sales prospect by planning a sales dialogue

What are you going to say?

Usually need additional information to increase chances of success in the initial sales dialogue

Read from classroom to Field in the textbook
DEVELOPING A STRATEGIC PROSPECTING PLAN

**ALLOCATE TIME:**
Establish a regular daily schedule for conducting prospecting activities.

**SET GOALS:**
Establish daily, weekly, and monthly quotas for acquiring new prospects.

**KEEP RECORDS:**
Track your results from using the different prospecting methods.

**STAY POSITIVE:**
Develop confidence by knowing your products and believing that you offer the best solutions.

**EVALUATE:**
What is working for you? Compare results and use the methods that work best for you.
# PERSONAL PROSPECTING LOG

<table>
<thead>
<tr>
<th>Organization</th>
<th>Contact Person</th>
<th>Source of Lead</th>
<th>Phone</th>
<th>Date of Appointment</th>
<th>Outcome of Call</th>
<th>Follow-up Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cummins Engine</td>
<td>Tyler Huston</td>
<td>Personal contact</td>
<td>765-444-1234</td>
<td>4/11 8:30 A.M.</td>
<td>Need info on printer</td>
<td>Send in mail</td>
</tr>
<tr>
<td>Ontario Systems</td>
<td>Darrell Beaty</td>
<td>Referral</td>
<td>765-223-4117</td>
<td>4/19 4 P.M.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chase</td>
<td>Alice Arnold</td>
<td>Direct mail sent back 6/02</td>
<td>317-663-2214</td>
<td>4/16 Lunch</td>
<td>Didn't seem impressed need more work</td>
<td>Need more contact with Alice PACER GAME?</td>
</tr>
<tr>
<td>Thomson Consumer</td>
<td>Doug Lyon</td>
<td>Phone</td>
<td>317-212-4111</td>
<td>4/15 3 P.M.</td>
<td>Had bad experience with us several years ago</td>
<td>This one will take time</td>
</tr>
</tbody>
</table>
INFORMATION GATHERED TO PREPARE A SALES DIALOGUE

- Basic Information about the prospect
- Information about the selling situation
- Sources of information
GATHERING PRECALL INFORMATION:
AT A MINIMUM...

• About the Buyer
• Name, title and contact information
• Education & work background
• Community & organization involvement
• Hobbies & interests
• Communication style
<table>
<thead>
<tr>
<th>About the Buyer</th>
<th>About the Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buyer’s name, title, and contact information</td>
<td>Type of business</td>
</tr>
<tr>
<td>Educational and work background</td>
<td>History of business</td>
</tr>
<tr>
<td>Community and organizational involvement</td>
<td>Number of employees</td>
</tr>
<tr>
<td>Hobbies and interests</td>
<td>Target market served</td>
</tr>
<tr>
<td>Communication style</td>
<td>Products and services offered</td>
</tr>
<tr>
<td></td>
<td>Key competitors</td>
</tr>
<tr>
<td></td>
<td>Current strategy and performance</td>
</tr>
</tbody>
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**BASIC INFORMATION ABOUT THE PROSPECT**
• Type of purchase
• Motivation for buying
• Current supplier
• Buying center members and roles
• Buying process
• Available budget
• Competitors involved
SOURCES OF INFORMATION

- Online searches
- Online and print directories
- Prospect Web site
- Social media
- Annual reports
- Trade and business press
- Professional organizations
- Company databases
- Contact with prospect
https://www.ted.com/talks/jia_jiang_what_i_learned_from_100_days_of_rejection?language=en
• Each group has been hired as a consultant by a new company to develop a strategic prospecting strategy.

• The company brews and bottles a specialty tea beverage. The tea is rich in vitamins, anti-aging nutrients, and natural anti-carcinogens. The tea is expensive to brew and has a suggested retail price of $5.00 per 16 oz. bottle. The company is located in San Francisco. It can produce 5,000 bottles per day and does not sell the tea directly to consumers.

The strategic prospecting strategy should include:
• How leads will be generated
• How leads will be qualified
• How sales prospects will be prioritized
• How information to prepare for sales dialogue will be obtained
• How the strategic prospecting strategy will be tracked and evaluated
KEY TERMS

- Strategic prospecting
- Sales funnel or pipeline
- Sales leads or suspects
- Qualifying sales leads
- Sales prospect
- Ideal customer profile
- Cold calling
- Referral
- Introduction
- Centers of influence
- Noncompeting salespeople
- Electronic networking
- Company records
- Advertising inquiries
KEY TERMS

• Inbound telemarketing
• Outbound telemarketing
• Trade shows
• Seminars
• Directories
• Strategic prospecting plan
• Tracking system