

Necessary Condition #4 – The Right Prospects

By Charles Fifield, Senior Lecturer and Baylor Sales Coach

To increase sales productivity, salespersons' interacting with the right prospects is an essential core competency to success. The inability or unwillingness to effectively prospect is probably the leading cause of salesperson failure. Underperforming salespeople are unable to close enough transactions because they don't have enough qualified prospects to engage. They don't have enough interactions (opportunities) because they don't initiate contact with the right prospects in sufficient numbers. Prospecting reluctance is more often than not caused by many emotional factors which fortunately are acquired or learned. Therefore, these habits can be modified with the right coaching or countermeasures.

A leading cause of sales activity waste is calling on the wrong or non-qualified prospects. If a salesperson is calling on the wrong prospect, the more advanced sales skills have no foundation upon which to build a sales opportunity. In other words, it will be challenging to successfully match of your capabilities with the prospect's needs or wants. Prospecting (working) smarter is an essential factor to realizing the desired productivity gains – find more qualified prospects that can and will buy from you!

Discovering the right prospects requires a disciplined and target-minded approach. The process begins with the end in mind or knowing and clearly defining your target customer and the desired business end. For example, a salesperson seeking to earn \$250,000 per year will rightfully have a basic target market, pipeline management metrics and a day-to-day business operation that is materially different than the salesperson who would be satisfied earning \$50,000 per year. Therefore, based on your desired end, what are the characteristics of the right prospect? What factors should be evaluated in your screening process to exclude waste-laden suspects from your to-be-contacted prospects?

Questions To Determine Quality of Prospect

The following seven questions help to determine if a prospect has the right stuff:

1. *Does the lead have a probable need or want for the product/service to be offered?* The answer to this question is not always easily ascertained, so it is important to perform quality pre-call research and ask well-designed questions during the initial phase of the sales call. One essential piece of information is why the product or service is wanted? This enables the salesperson to move from implicit needs and wants to those more explicitly defined.
2. *Can the lead be approached favorably?* This is more often than not a direct function of the prospect's source. The better the source, the higher the probability of being able to approach the prospect in a favorable manner. Two sources of leads are generally the most preferred – buyer direct inquiries and referred leads. If the prospective buyer makes the initial inquiry,

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then the selling process is usually easier to initiate. Also, getting a prospect's name and the critical qualification information from a satisfied and well-respected customer greatly simplifies the task. The gaining of referred leads is very difficult for most salespeople, but an invaluable skill.

This is usually a result of one or more of the following errors by the salesperson who:

- Does not consider the gaining of referred leads to be an essential part of the relationship and the related compensation to be earned.
- Failed to effectively communicate early in the buyer-seller relationship that referred leads would be expected.
- Fears rejection.
- Doesn't feel worthy of the buyer's referred leads.
- Doesn't understand the research process required to successfully gain high quantities of quality referred leads.
- Did not learn this advanced skill during training, and therefore is without the prerequisite tools and habits.

Other favored sources of prospects include centers of influence and networking. To be successful with either of these, the salesperson must be proactive in selectively engaging individuals or organizations with the potential to later yield the desired prospects.

3. *Is the timing right?* Some salespeople say that good timing is everything in sales. While good timing might not be *EVERYTHING*, good timing rarely hurts. In real estate sales, the canvassing of the market for listings that are underperforming is a ready source of pre-qualified leads. It has been said that the best prospect is your respected competitor's customer. Relevant questions to consider include, when does an existing listing agreement with a competitor expire? And is a pending sale really a probable close?
4. *Does the lead have the financial capability to make a purchase?* Making sure that prospective buyers have the financial means to make a purchase is critically important. Otherwise, the salesperson will quite often be wasting valuable time.
5. *Does the lead have the authority to make a buying decision?* Every sales situation mandates that the salesperson quickly evaluate the buying center and the buying decision's various influences. In residential real estate situations, this may include the husband/father, the wife/mother, the children, an attorney or an accountant and possibly a friend. In the end, it is important to plan your sales approach in order to match the buyer's decision-making process and ultimately confer with the economic decision-maker when the timing is right.
6. *Is the lead eligible to be approached?* Eligibility is another important qualifying consideration. For example, factors that may determine eligibility are geographic location or

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customer type. Many businesses operate on the basis of exclusive sales territories. Also, some sales organizations operate with specific customers, house accounts, managed by the corporate headquarters.

7. *Does the prospect satisfy the salesperson's "admissions policy?"* An important qualifying characteristic is whether or not the prospect meets the salesperson's personal selection standards. For example, a certain prospect, although otherwise qualifying, may have lifestyle issues that are deemed unattractive by a salesperson. Salespeople can choose within legal limits with whom they will offer their services.

To minimize sales activity waste, salespeople need to develop a lead qualification system, other than intuition, to assist them in both qualifying and determining the relative value of leads. Many employ either a funnel-like screening process or a relatively simple grading system which classifies each prospect according to a grading scale (e.g., A, B or C). The resulting advantage is that the salesperson's focus is initially on the best classified candidates and only after those have been exhausted do they advance to others. It is common for a C-classified prospect to be never contacted.

Information management technology has developed many software tools to enable salespeople to more effectively and efficiently manage their time and their chosen prospecting process. Salespeople can often link into a corporate system designed to assist them to better manage their prospecting, time and territories.

In summary, consistently interacting with qualified prospects is a necessary condition to achieving highly productive sales results. A productive selling process begins with a clearly defined targeted customer, consistent with a business plan. Next, the salesperson must develop appropriate sources to generate the desired leads. Prospecting sources and methods vary for different types of selling and the salesperson's professional experience. Those lead generation methods include but are not limited to cold calls, walk-ins, open houses, ads, sales letters, networking, centers of influence, trade shows, the internet, seminars and referred leads from satisfied customers. As suspects are located, not all sales leads will qualify as good prospects. Therefore, each one must be systematically screened or filtered to assess whether or not it is a qualified prospect. Modern lead qualification and management software systems can facilitate this process.

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Chuck Fifield is a Senior Lecturer for Baylor University's Hankamer School of Business, Marketing Department – Professional Sales and Communications and serves as the faculty consultant to Baylor's Sales Team and Uproar Music and Entertainment Group, a student managed business. He joined the faculty at Baylor University in 2001, where he has also taught in the Graduate Business School (Operations Management), the Management Department (Negotiations and Conflict Resolution) and the Economics Department (Principles of Macroeconomics). Chuck has taught or guest lectured at other Texas-based Universities in the fields of sales, international business, money and banking and finance/investments. Professor Fifield has conducted sales research and training for several organizations, including most recently State Farm Insurance. Prior to joining Baylor, Chuck was a financial consultant to businesses located throughout the U.S. for nearly thirty years. He owned and operated several financial service businesses in the fields of securities, real estate, oil and gas and insurance.