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

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PROFESSIONAL SELLING

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 FACTS

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.

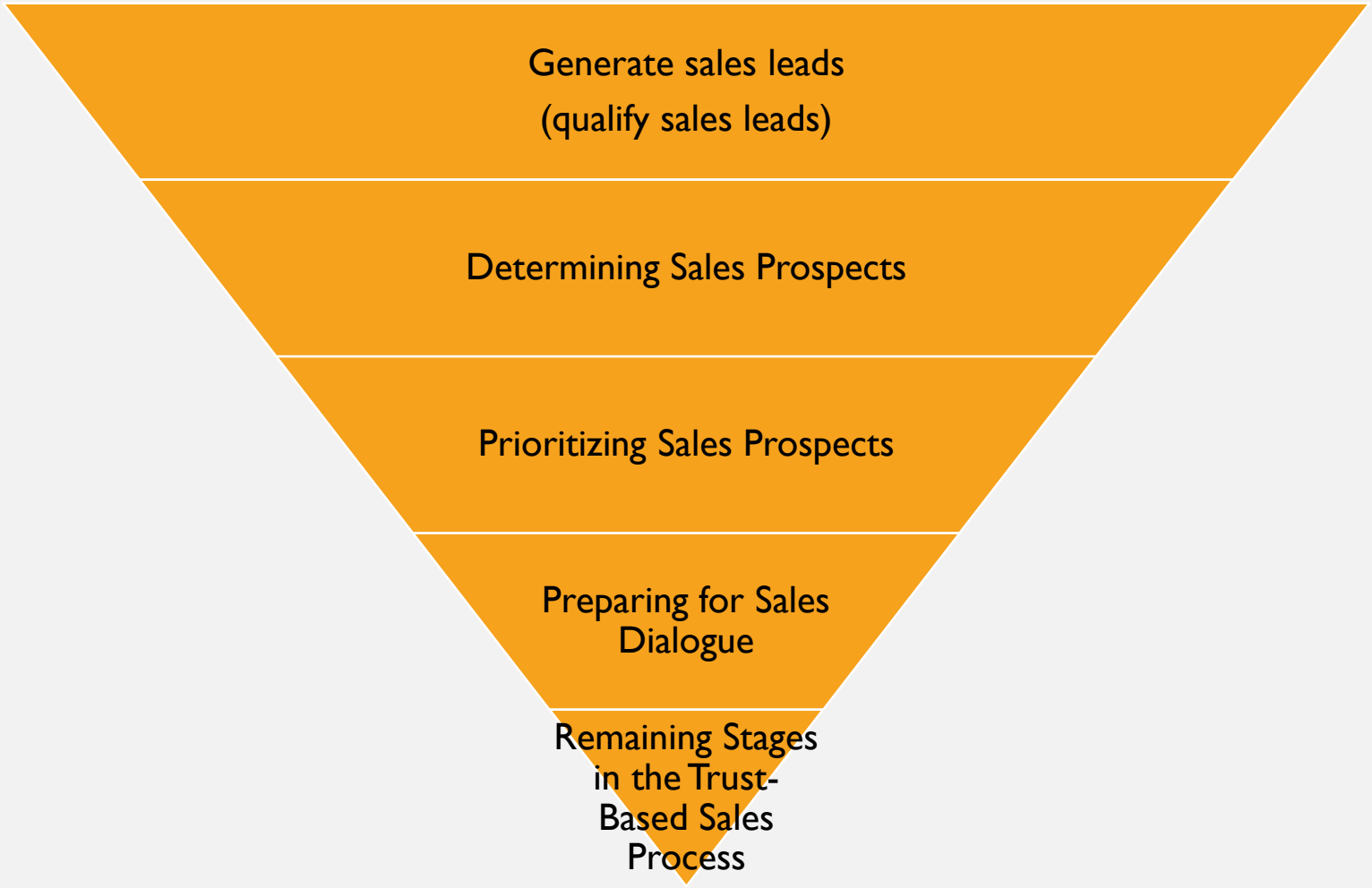
IMPORTANCE OF PROSPECTING

Extremely important to salespeople	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
Salespeople lose customers due to lack of prospecting	Causes: • Rise in competition • Change in market conditions • Dissatisfaction with the product, salesperson, or selling firm

THE IMPORTANCE AND CHALLENGES 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



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.*

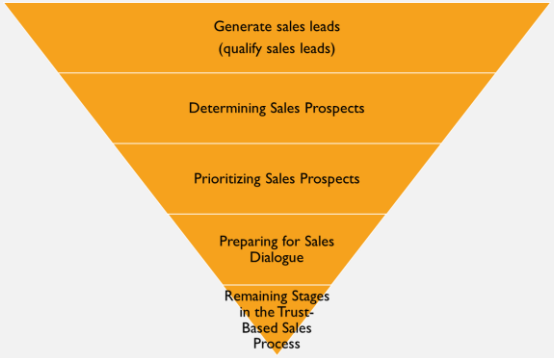
WHY IS PROSPECTING SO DIFFICULT?

- 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 possible 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**.



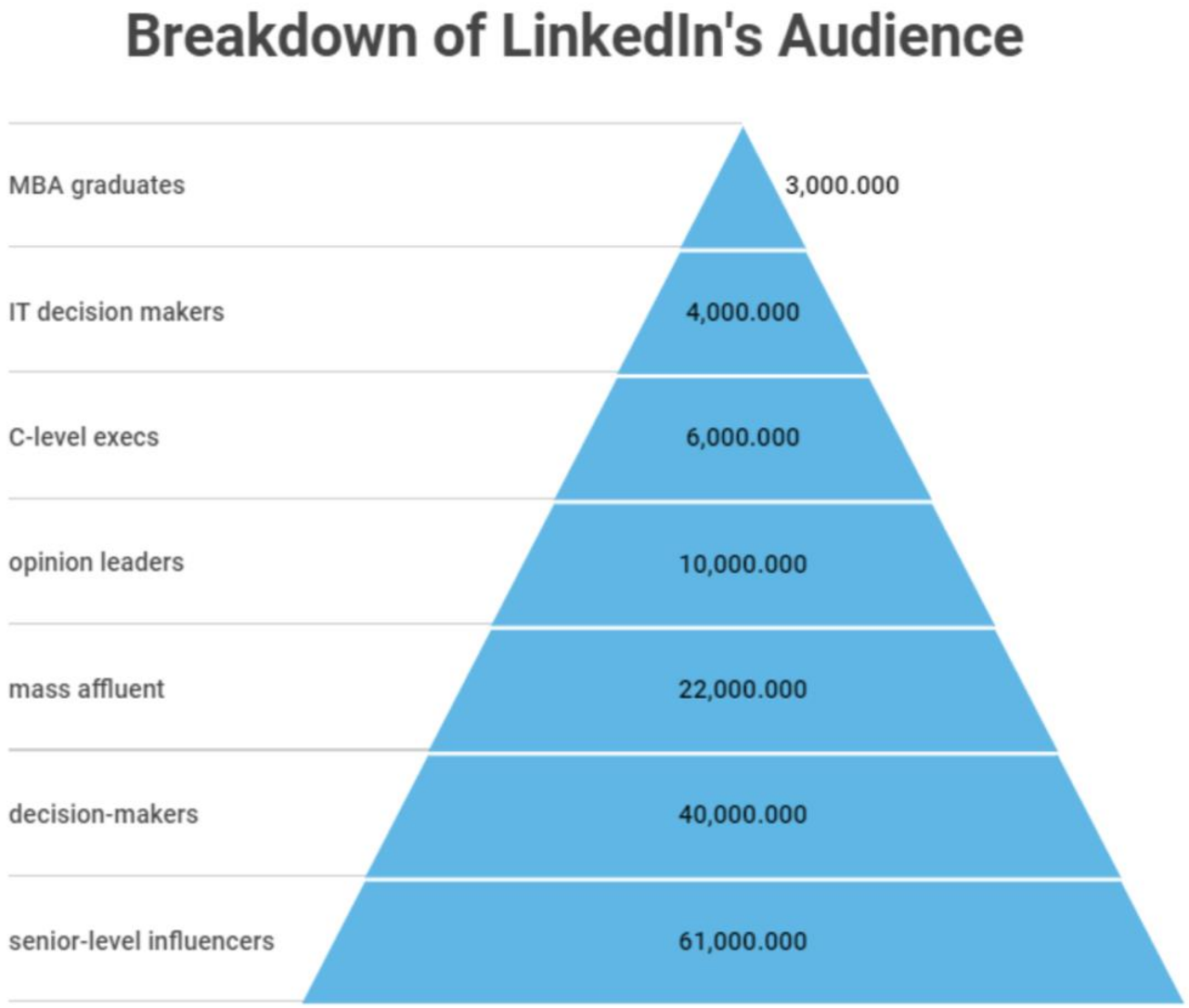
Cold Canvassing	Networking	Company Sources	Commercial Sources
• Cold Calling • Referrals • Introductions	• Centers of Influence • Noncompeting Salespeople • Social Media • LinkedIn	• Company Records • Advertising Inquiries • Telephone Inquiries • Trade Shows • Seminars	• Directories • Lead Management Sources

PROSPECTING METHODS

LINKEDIN FOR PROSPECTING

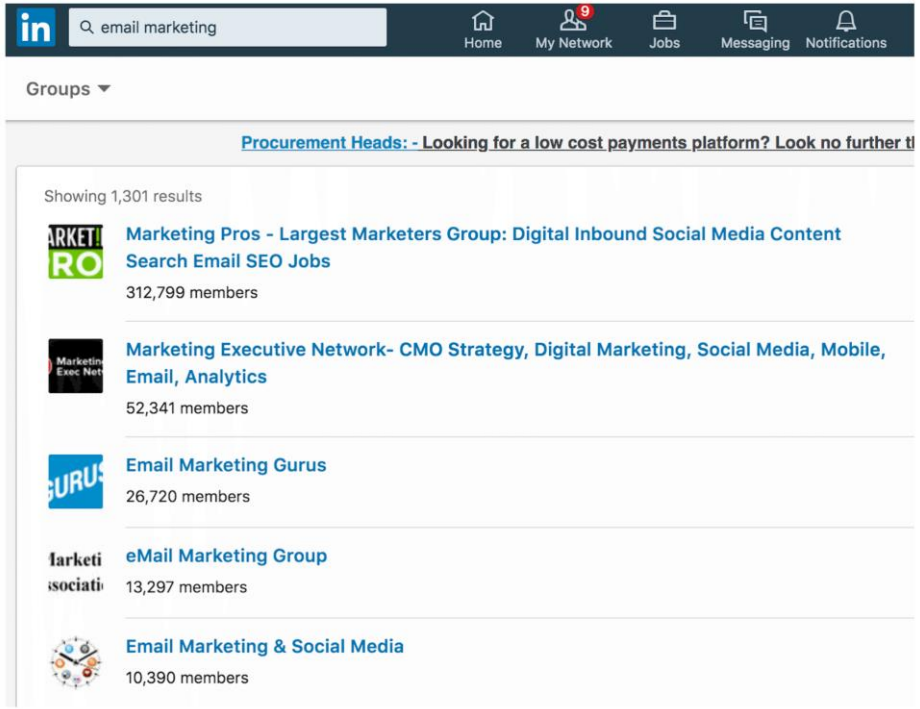
in whole or in part.

5 EFFECTIVE WAYS TO USE LINKEDIN FOR SALES PROSPECTING



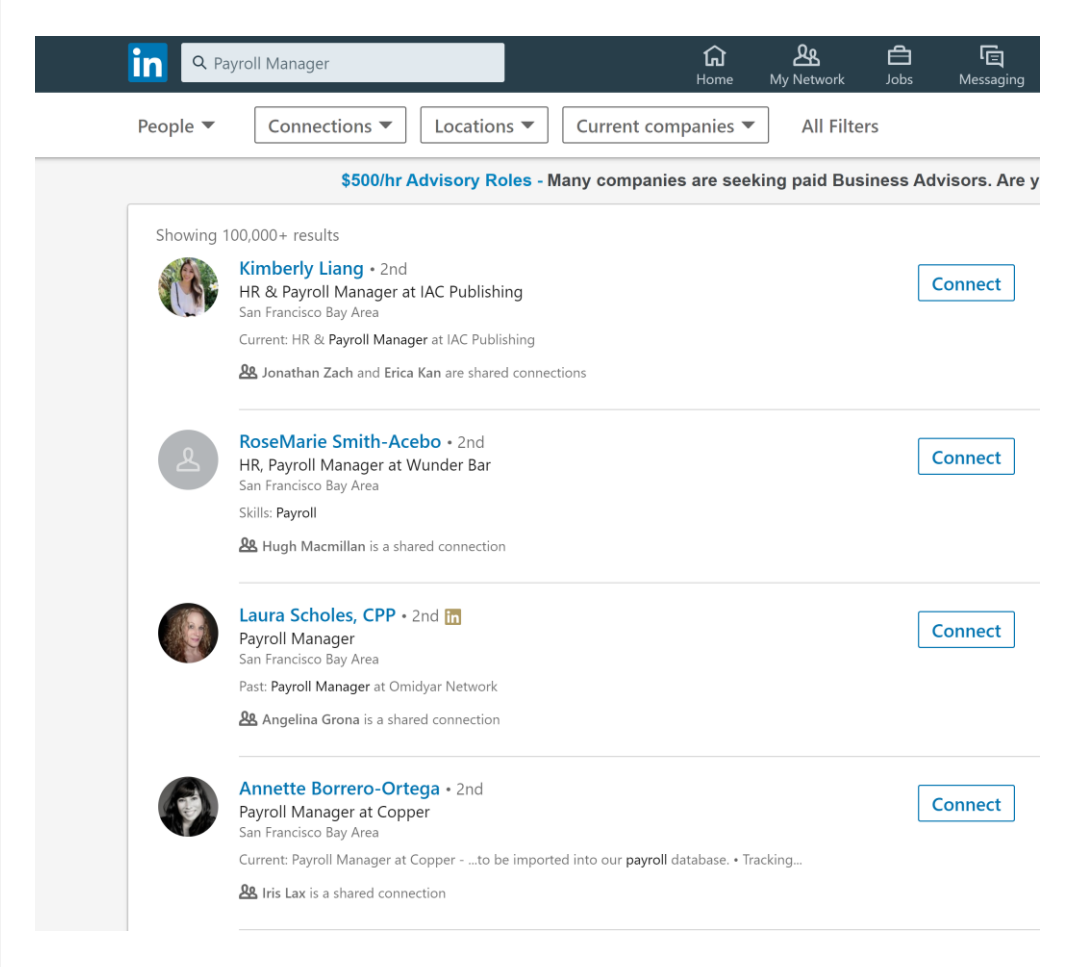
1. JOIN RELEVANT GROUPS

- 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.

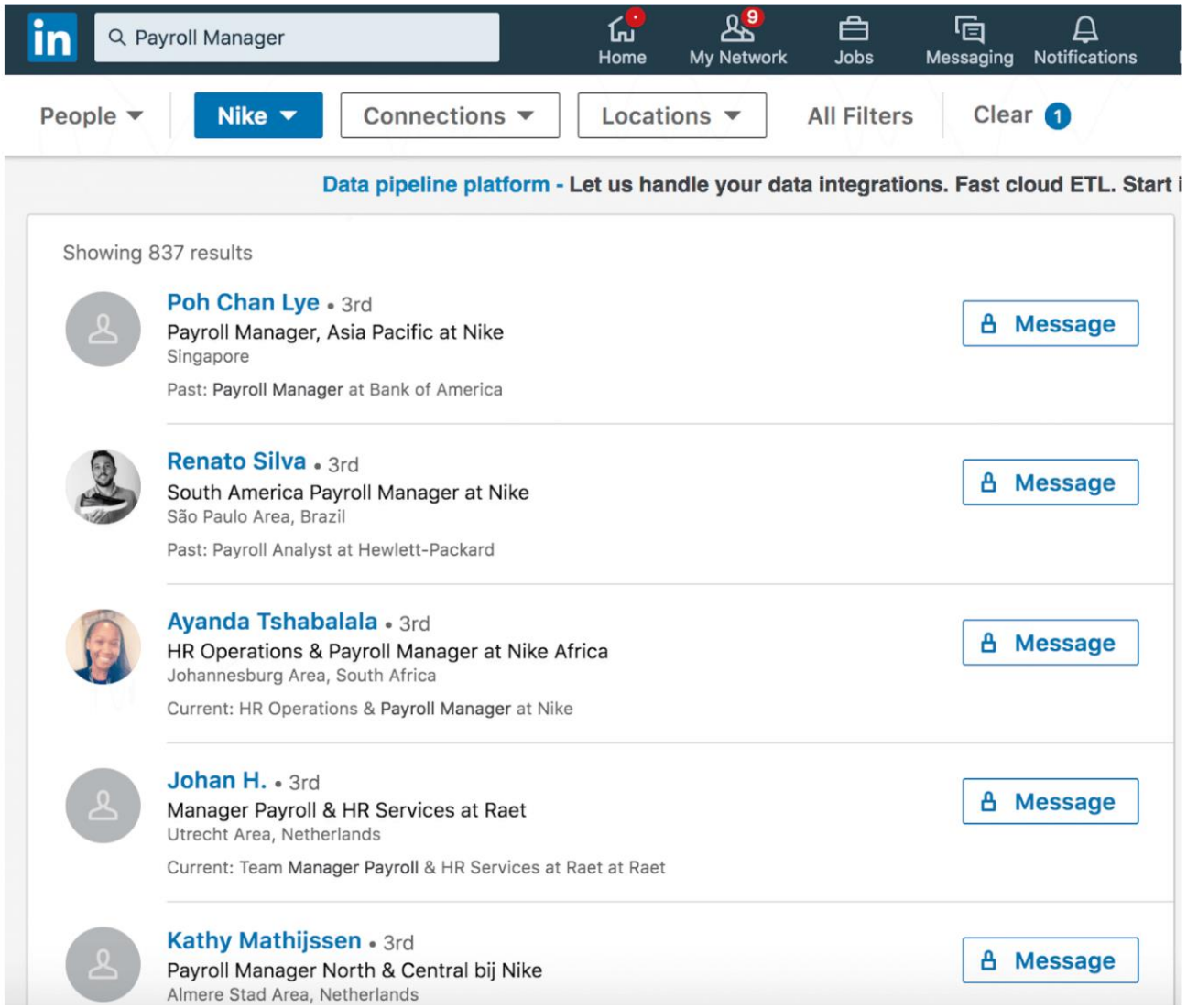


2. USE SEARCH FILTERS

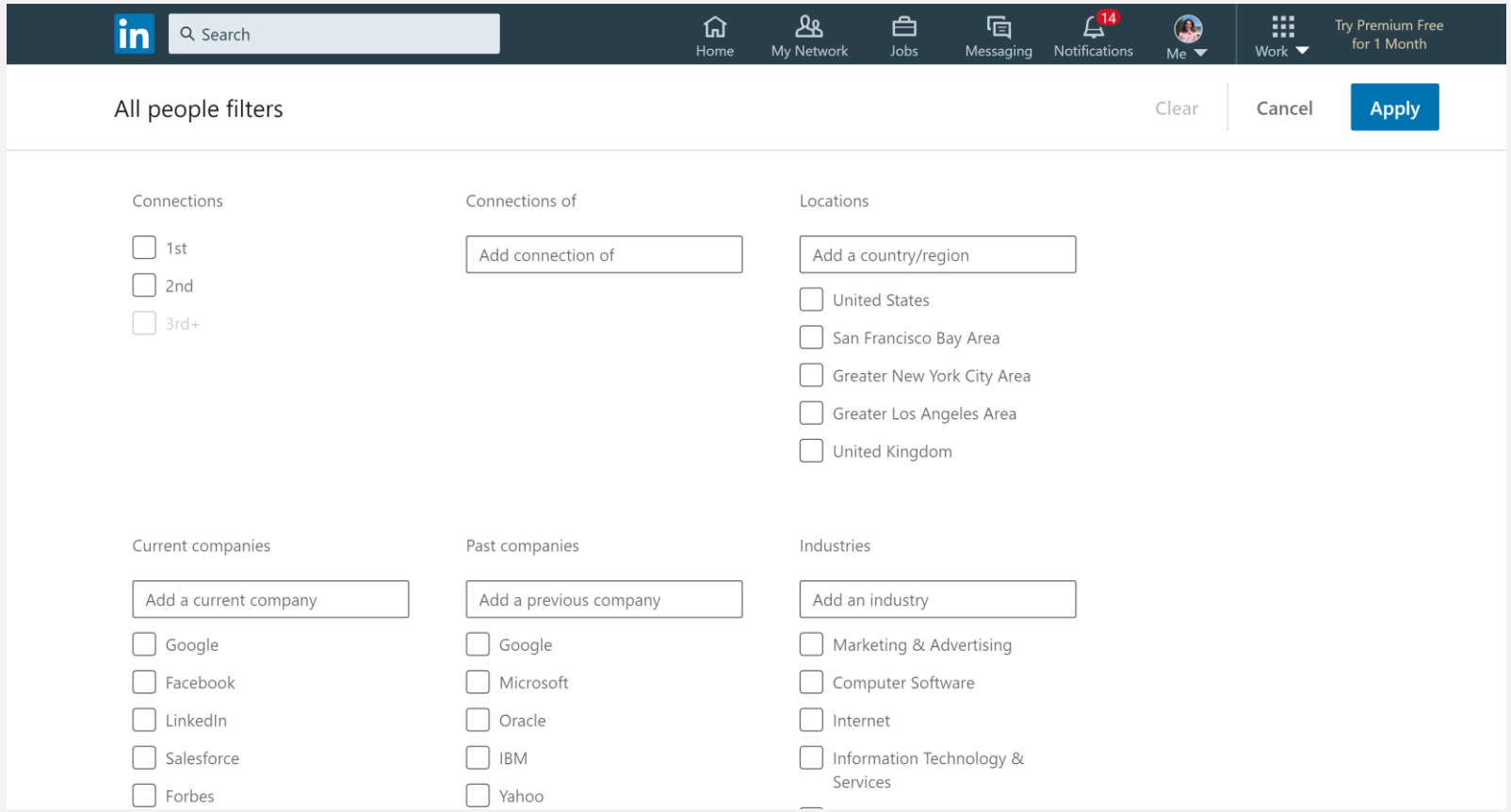
- Most reps don't realize how advanced LinkedIn's search function really is.
- Behind the small white field at the top of your profile is an intuitive search engine that lets you narrow down your search using specific filters.
- For example, if you're searching for **"Payroll Manager,"** you would type 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

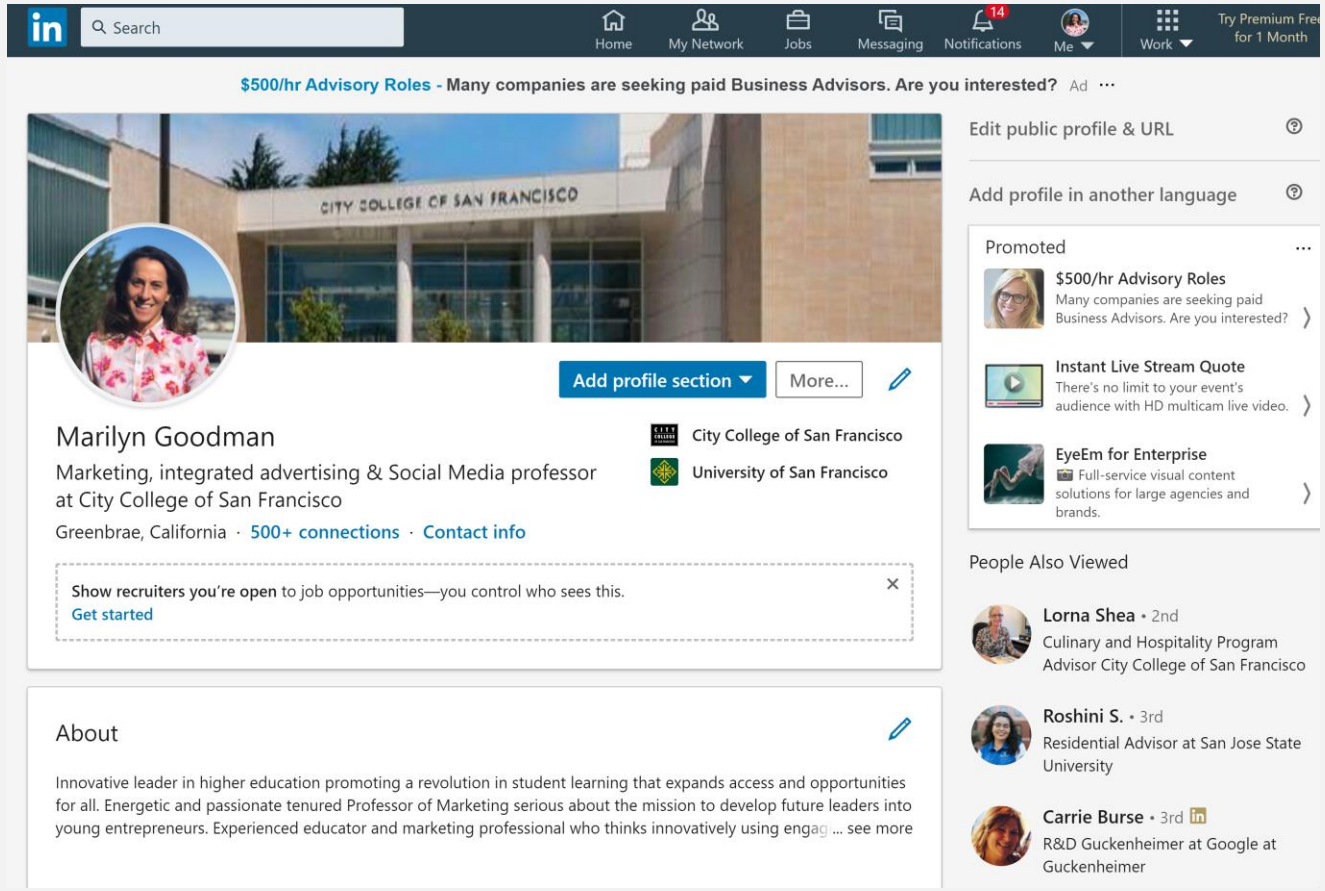


MORE FILTERS – UNDER ALL PEOPLE



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

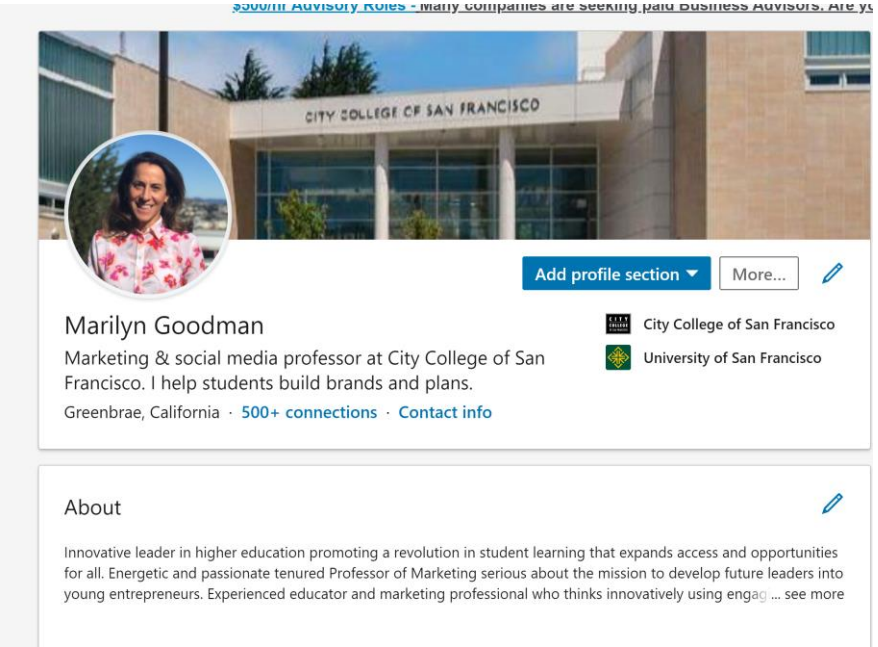
With a few quick changes, you can turn your LinkedIn profile into a prospecting machine.

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 infjuential person provides
    - Always get permission to use the person's name when contacting a prospect

NETWORKING

Salesperson
Centers of Influence
Friends
Non-Competing Salespeople
Industry Experts
Professional Acquaintances

ELECTRONIC 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

Meetup

Start a new group | English | Log in | Sign up

Meetups are

neighbors getting together to learn something, do something, share something...

Sign me up!

Photo: The Outdooraholics Super 18s Meetup

small business within 25 miles of San Francisco, CA

Groups | Calendar

Sort by Best match

San Francisco Small Business Networking Meetup
Over 50 interested >

NEW
HR Chalk Talk for Small Business
Members wanted

San Rafael Business Builders Club [TheBBC]
We're 520 Business Builders

SCORE SF Entrepreneurs and Small Business Owners
We're 128 Members

Oakland Small Business Meetup
We're 96 Members

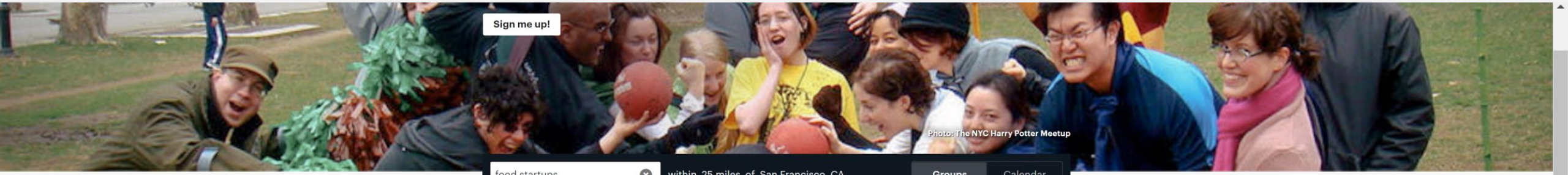
Bay Area Entrepreneur and Small Business International
Bay Area Entrepreneur + Small Business International
We're 3,767 Movers and Shakers

San Francisco's Top Business Referral Network
We're 22 Members

Peninsula Business Network
We're 17 Members

Small Business and Entrepreneurs
We're 132 Members

BAEC



food startups within 25 miles of San Francisco, CA Groups Calendar

Sort by Best match

Food Startups
We're 2,140 Tech Gourmets

Local Food Biz Meetup
We're 30 Members

Startups Showcase
We're 5,159 Startups Showcasers

Startups Business & Drinks
We're 1,521 StartupMembers

Food Tech Startups
We're 1,492 Foodies, Chefs, Home c...

Startup Networking - Silicon Valley
We're 1,316 Startup-networker

Preview of Live Interactive Cooking Demo - Mavencook
We're 19 Members

Food+Tech SF Meetup
We're 1,583 food innovators

San Francisco Technology Startups Meetup
Over 50 interested >

Food Innovation Circle
We're 733 Food Innovators

RockIT's Recruiter-Startup Happy Hour
We're 183 Members

Great conversations over food
We're 38 Members

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

NAICS Code

Bagel Bakery Sam Tan (925) 829-5434	7168 Regional St DUBLIN 94568-2324	722110
Bucci's Amelia Bucci (510) 547-4725	6121 Hollis St EMERYVILLE 94608-2021	722110
Burger Road Sook Johnson (510) 732-0963	2010 American Ave HAYWARD 94545-1802	311811 722110
Cafe Of The Bay Nader Davari (510) 482-2713	4011 Macarthur Blvd OAKLAND 94619-1903	722110
Chuck E Cheese's Mike Roscoe (925) 803-0101	7448 Amador Valley Blvd DUBLIN 94568-2420	722110
Doubletree Club Hotel Dharmesh Bhanabhai (925) 443-4950	720 Las Flores Rd LIVERMORE 94551-1459	721110 722110
Everett and Jones Barbeque Kenya Richardson (510) 663-2350	126 Broadway OAKLAND 94607-	722110 722320
Fatapple's Restaurant & Bakery Hildegard Marshall (510) 526-2260	1346 Martin Luther King Jr Way BERKELEY 94709-1913	722110
Faz Mark Cosca (925) 460-0434	5121 Hopyard Rd PLEASANTON 94588-3303	722110

- ***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

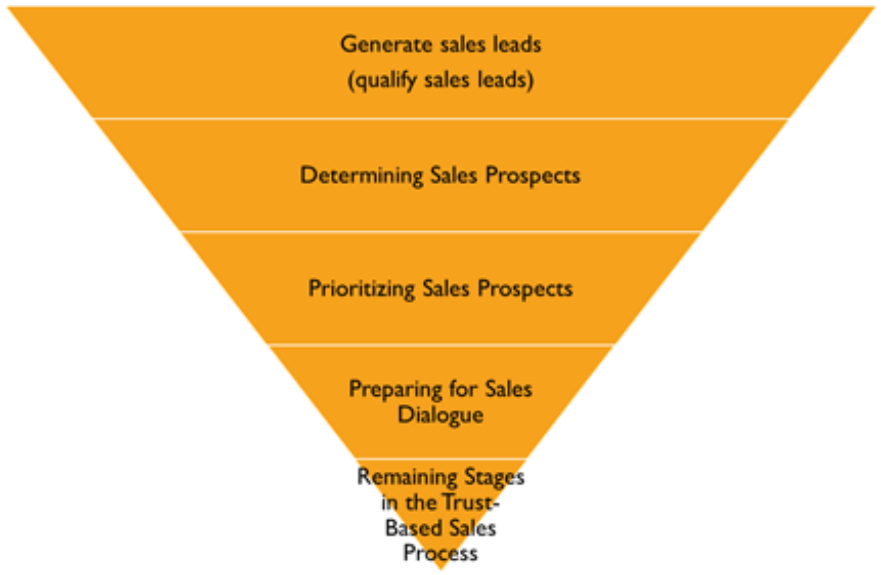
Plans help salespeople continuously improve their prospecting effectiveness

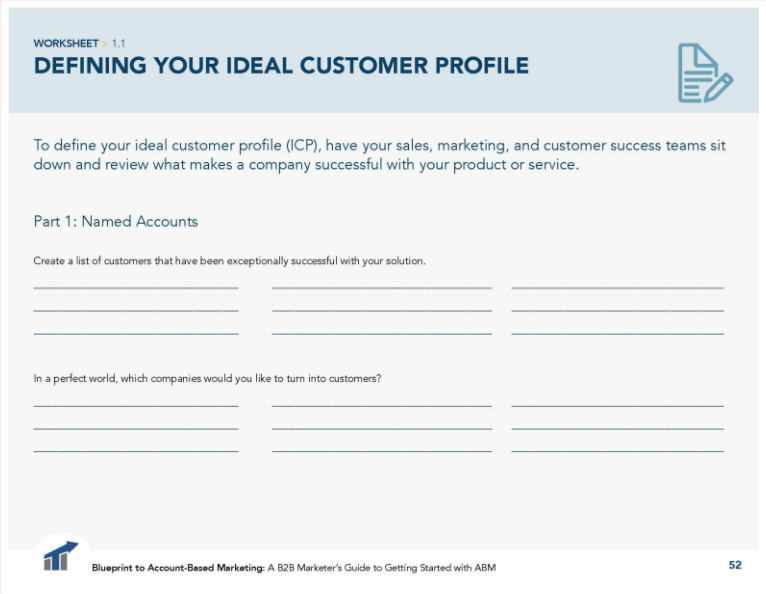
Should fit the individual needs of salesperson

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





WORKSHEET > 1.1

DEFINING YOUR IDEAL CUSTOMER PROFILE

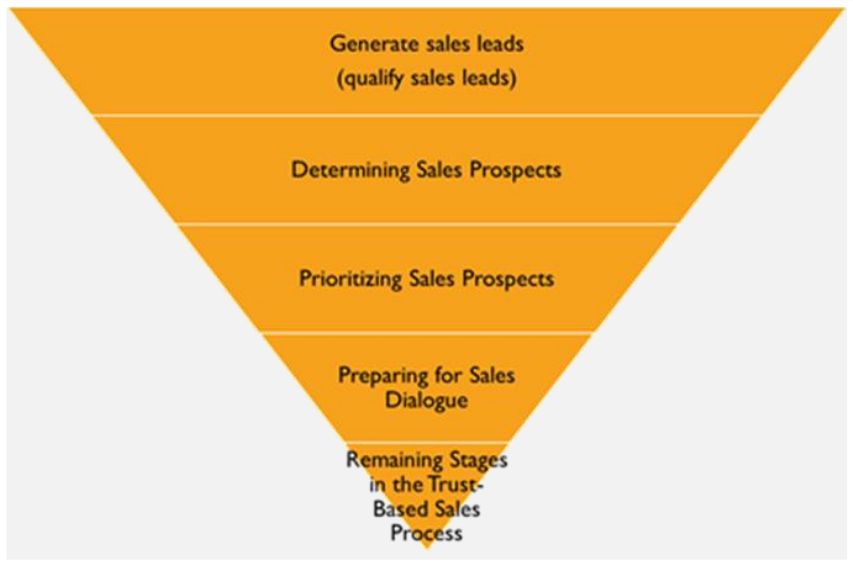
To define your ideal customer profile (ICP), have your sales, marketing, and customer success teams sit down and review what makes a company successful with your product or service.

Part 1: Named Accounts

Create a list of customers that have been exceptionally successful with your solution.

In a perfect world, which companies would you like to turn into customers?

Blueprint to Account-Based Marketing: A B2B Marketer's Guide to Getting Started with ABM 52

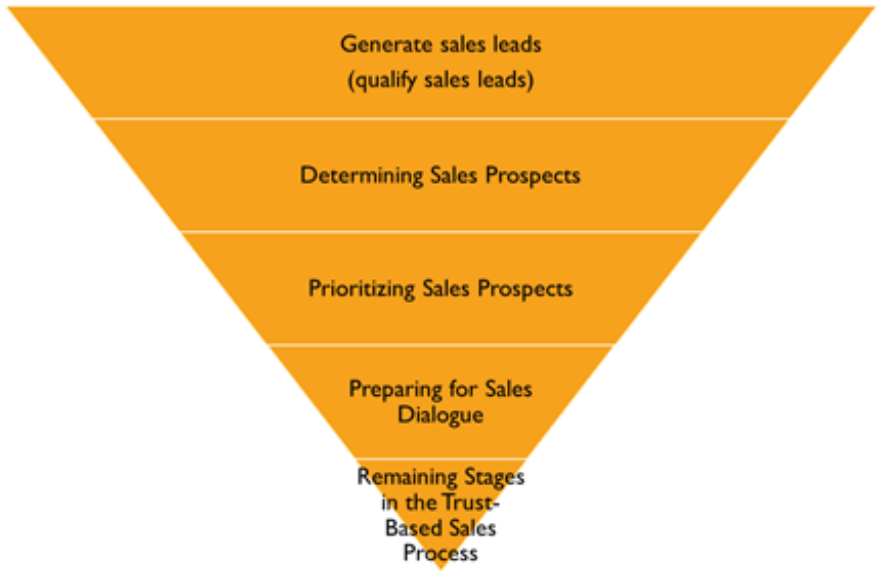


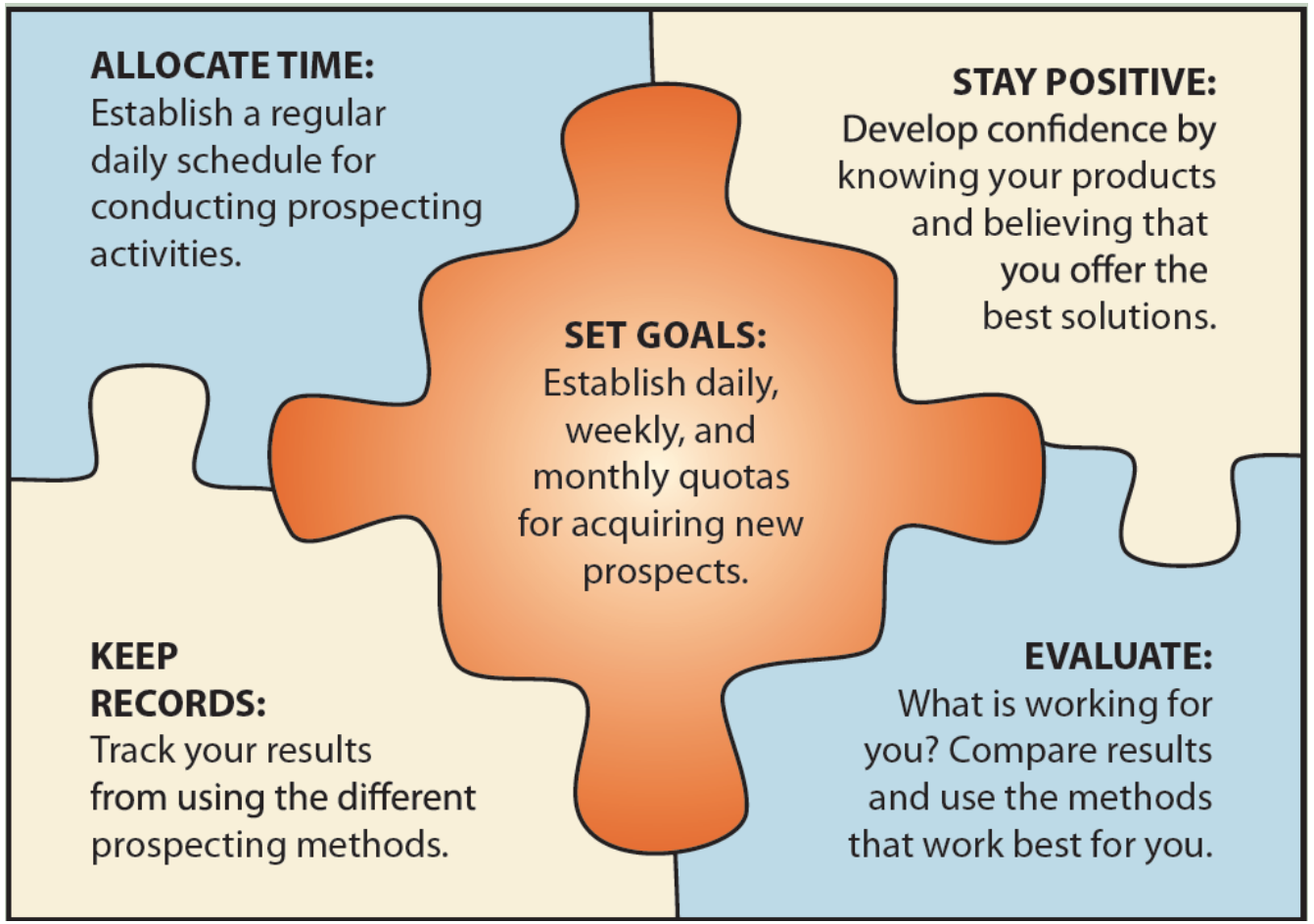
PRIORITIZE SALES PROSPECTS

- 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

PERSONAL PROSPECTING LOG

Name Tom Jenkins

Team Indianapolis commercial **Date** 4/16

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

PERSONAL PROSPECTING LOG

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

About the Buyer	About the Company
• Buyer's name, title, and contact information • Educational and work background • Community and organizational involvement • Hobbies and interests • Communication style	• Type of business • History of business • Number of employees • Target market served • Products and services offered • Key competitors • Current strategy and performance

BASIC INFORMATION ABOUT THE PROSPECT

INFORMATION ABOUT THE SELLING SITUATION

- 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

in whole or in part.

Exhibit

https://www.ted.com/talks/jia_jiang_what_i_learned_from_100_days_of_rejection?language=en

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GROUP ACTIVITY

- 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

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KEY TERMS

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

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