
SECTION 2

PROFESSIONAL'S SELLING
PROCESS

Prospecting

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TROY WAUGH

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CONSULTANT'S ADVICE SPELLS DISASTER

I had the challenge of working with a large firm whose growth had flattened out during the last three years. (In contrast, in the previous five years the firm had experienced double-digit growth.) Owner earnings in the most recent two years had decreased. During our strategic assessment process, I learned that the firm had engaged a well-known strategic planner prior to the three-year decline and had followed his advice.

“Standard” Advice for Squeezing Profits *and* Quality

What advice had this planner given the firm? It boiled down to this:

- In order to improve partner earnings, you should increase partner charge hours.
- Decrease the hiring process and focus on high chargeable hours from your staff.
- Use technology more to help reduce the size of the administrative staff. Instead of one admin person for every owner, reduce it to one for every three.
- Delay investments in technology to replace systems every five years rather than every three.

- Bring all training in house.

This highly regarded strategic planner had given the firm a plan for disaster. Short-term profits were squeezed from training, technology, and marketing. Within only three years, the prospect pipeline dried up and the owner's computer network had become "clunky" compared to what was now available. While owner profits soared for two years, by the third year profits began to slide as the owners worked harder than ever.

The owners were now looking inward, rather than out to the market.

Work with the Market

Successful strategic planning should always begin with the market outside the firm, not the internal processes inside the firm. Yet, when owners retreat to discuss strategic plans, the agenda items frequently include: staff evaluations, raises and bonuses, owner compensation, admission of new owners, the financial results for last year, the budget for next year, new office space, recruiting efforts, and other issues that do not fall into true strategic planning.

Conclusion

Just as your "market" is more than your clients, strategy must be more than a way to get more profits in the short-term. Strategy should focus on building the balance sheet of your firm so profits will be strong for the long-term. When setting the agenda for your firm's strategic planning session, first start with the market, then look internally.

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TURNING PROSPECTS INTO CLIENTS

Good marketing programs create many prospects. But all prospects do not—and should not—convert to clients. Here are ideas to help you convert prospects into clients:

Take Action Immediately

Not immediately following up with prospects causes them to go cold. Then you are right back where you started. The prospect will likely forget meeting you. Or, the prospect may think you are not interested in serving her. Further, your response time to a lead's request is an indication of your response time when he is a client. So take action quickly when you receive a telephone inquiry, a trade-show lead, a referral, or other lead.

Focus on Referrals

Referred prospects are the most valuable. When you receive a referred lead, the selling has already been done. If you act quickly on referred leads, it will reflect well on your source, and he will be inclined to refer you again. If you delay on a referred lead or handle it poorly, don't expect to receive any further leads from your valuable referrer.

Evaluate the Lead

Some follow-up on every lead is a good idea. You want to separate the suspects from the prospects. Evaluating the lead

will enable you to follow up more quickly with the better prospects. Ask the lead or the referral source about problems, needs and wants, the decision process, and his or her ability to pay your fees. Ask these questions as early in the process as you can.

Have a Follow-up Plan

An automatic follow-up system will make it easy for you follow up in the same way every time.

Set aside a definite time for contacting and courting a new prospect. Unless you set aside time in your calendar, you may have trouble fitting it in. Prospect value can dissipate rapidly. If you are fully booked, fire off a letter or call the lead to set a specific time to meet.

Add the Prospect to a Mail List

Every professional should have a marketing database. When you obtain a lead, the information should be permanently recorded in your database. “A” prospects should receive regular and personal attention, whereas “C” prospects can be handled by mail. (Handling of “B” prospects can depend on your load.)

Give the Prospect to Someone Else

If you cannot follow up the prospect, or if the lead is of little interest to you, give it to someone else in your firm. Selling is a team effort. Ask your designee to keep you informed as to the progress of the prospect. Offer to help when the prospect gets close to closing.

Conclusion

A pipeline full of good prospects is critical to the steady growth of a firm. A full pipeline enables you to be selective and to follow up with the best leads.

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THE “R” WORD....

Rejection isn't really rejection unless you accept it as final!

Much research has shown that moving a prospect from contact to contract will take about nine positive marketing interactions with your firm. You might think of the first eight attempts as rejections, but they're not. The reality is that many of your attempted interactions are missed by your prospects. And just because they don't buy now, doesn't mean they won't later.

Ross Perot said it took him 68 sales calls before he made his first sale for EDS in 1962. He built two major companies in the process. Colonel Sanders (KFC) didn't sell a “franchise” until he'd talked to over 1000 restaurants.

When a prospect doesn't hire you early, he is not rejecting you. People have different circumstances and different timetables for making decisions.

You Can Deal With “Non-Success”

A technique to help you overcome the fear of rejection is: Don't go for the kill on the first call. Set the objective for the first interaction at a very low level, maybe just creating awareness. If you can then build each successive call into a gradual sales strategy, then your fear of rejection won't stop you.

Another technique is planning your response to rejection. Your contact may have a rational reason for not doing business with you right now. Your contact may be having a bad day and her lackluster response is not your fault.

Persistence Pays

A steady, consistent approach will win out every time. The average sale in American commerce is made on the 5th sales call, but the average professional makes only 2 or 3 calls. Because the buying cycle is long and unpredictable, the average professional services sale may take over a dozen contacts. Yet many professionals let their fear of rejection keep them from ever getting started!

Professionals are trained to avoid making mistakes. However, when you view marketing as a numbers game, the impact of rejection will be less. The feeling of rejection you have when someone does not hire you immediately can be depressing. However, if you approach the market with the realization that over 90% of your marketing activity will not pay off today, you gain a more realistic perspective.

Summary

Remind yourself that marketing that is not successful today can be successful tomorrow. Activity will help build a good client relationship. Engage in positive self-talk and separate your ego from the sale. When you can accept temporary non-success, you will be a stronger professional who can market.

Lastly, maintain a healthy balance between positive client interaction and new prospect activity. The client relationships will enable you to be confident with prospects.

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THE SEVEN DEADLY SINS OF PROSPECTING

Looking for new clients needs to be a regular and ongoing effort. No matter how good your retention rate, there will be some attrition and need to upgrade your client base.

Prospecting is much like exercising or practicing your golf swing. Until your business goes flat you aren't aware of the neglect. Here are the seven deadly sins of prospecting. Avoid them like the plague:

1. No System for Prospecting

Most professional firms have systems for paying the bills and systems for collecting accounts receivable. Every firm needs a system for collecting, and following up on prospects.

2. No Qualifying of Prospects

Prospects who are interested, but who are not qualified to do business with you will waste your time and your money. Qualify the prospect by asking the questions necessary to insure the prospect will make a profitable client.

3. No Consistency in Prospecting

Successful prospecting requires discipline. Professionals tend to prospect heavily at the same time all their competitors are prospecting. Consistent prospecting systems will help you

build on the power of compound impressions and on being in front of prospects when they are ready to buy.

4. No Organization to Prospecting

I use a computer contact system to manage thousands of contacts and I strongly recommend you use one as well. ACT, Telemagic, and Goldmine are three systems that are well tested and sound.

5. No Scripting for Prospecting Calls

You should have a routine you follow with every prospecting call. If you have a script, you'll be reminded of the right questions, and the right things to say.

6. No Follow-up to a Prospect Inquiry

Recently, I called three air conditioning companies within one hour and did business with the first one who made an appointment. If you ignore a prospect call for an hour, you may lose it.

7. No Research on the Prospect

In all businesses, there are several decision-makers. Usually, there is someone who has "big YES" authority and others who have "little yes" and "big NO" authority. Doing your homework on the players helps you avoid getting the "big NO" before the "big YES."

Summary

A solid system of prospecting will help your firm grow consistently through good times and bad. Avoid the seven deadly sins and prosper with your prospects.

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TRADE SHOWS CAN CREATE GOOD LEADS

Willie Sutton had the right idea. Asked why he robbed banks, the infamous bandit replied, “Because that’s where the money is.”

Prospecting for leads isn’t quite as easy as finding money in a bank. But if you’re seeking to fill your sales hopper full of good prospects, it makes sense to exhibit at an industry trade show.

Here are a few pointers to help you make your trade show a winner.

Focus On The Result

You want to end up with new clients as a result of your trade show activity. Realistically, the trade-show encounter is only the first step in about nine marketing interactions that you should plan with a new prospect **BEFORE** he/she will engage you.

Coming away with good leads often requires you to evaluate the trade show’s potential for generating the right leads. Ask the show promoter for a list of last-years exhibitors and call two or three of them to find out the “rest of the story.”

Rarely, will your attendance at a show result in immediate business. According to Kathryn Clark, writing in *Personal Selling Power* magazine, “two thirds of all sales from trade

shows aren't achieved until 11 to 24 months after a show." So set a realistic expectation for lead generation.

Know What Types of Leads You Want

Before you attend the show, decide what type of lead you will seek. For example, when you attend a trade show for your primary industry niche, the attendees at the show may be your predetermined targets. Other times, at a general business exhibit, the exhibitors themselves may be your targets.

Every time you meet someone at the trade show, attempt to qualify him or her as a potential prospect. Ask planned questions that will enable you to follow up appropriately after the show. Ask pertinent questions about their current provider such as: Has your professional helped you be more profitable? Has your accountant helped you deal with new technology? Has your attorney helped you with business advice?

"When you plan your trade show booth, consider a unique theme that will attract potential prospects. We recently did a plant shop theme where we decorated our booth like a florist shop and used the motto 'We help you grow your business.' Our giveaway was a small plant with our logo on the planter. Many attendees stopped at our booth just because it was different. We have a reputation for changing our theme each year, so many attendees actually search our booth out. The lesson here is to differentiate yourself! (We also won an award for this idea at the 2002 Association for Accounting Marketing convention.)"

—*Deborah Bailey Browne, Partner with Vanacore,
DeBenedictus, DiGiovanni & Weddell*

Conclusion

If you are well prepared, trade shows can be an effective vehicle for professionals who are willing to reach out to people in a show environment.

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**BROAD-BASED MARKETING SUPPORTS
PROSPECTING**

Mass media (radio, TV, national publications) reach a large number of people, most of whom aren't potential clients. Rather, you should be very targeted with your selection of media and try to achieve personal contact as soon as possible.

Advertising and Public Relations

Advertising and public relations are usually best when included in targeted trade or industry publications. Advertising is an expensive technique for attracting prospects. Only those firms whose marketing is sophisticated and mature will benefit from a significant advertising budget.

Smaller firms and professionals are better off focusing on public relations for media exposure. Writing articles for your trade journal or business newspaper is a good way to become known in a community of prospects. Readers generally perceive an article to be five times more believable than advertising.

Public relations can also be executed in the form of press releases, sponsorships of events, speaking opportunities, and other activities.

Newsletters

Targeted direct mail is usually very effective because the print media can be directed at your best prospects, clients, and referral sources. Newsletters are a form of direct mail that contains professional advice, observations, and comment. Regular newsletters keep your name in front of your prospects and remind them to contact you when a need arises. Specialty trade newsletters attract the serious reader to do more than recognize your name. Firms that write their own newsletters have excellent client responses. But the publication process can be daunting. So most firms use some form of prepackaged newsletter program. Practice Development Institute, Chicago, and M. Lee Smith, Nashville, are the leading publishers of newsletters for accountants, lawyers, and financial advisors.

Web-sites

Most people in today's modern world receive much of their information electronically through television, radio, and the Internet. It makes good sense to have a web site. Your web site can take the form of an electronic brochure, with articles and other credibility-builders. People who are interested in you will check out your web site. If it is good, a favorable impression can be made before meetings. If it is not good, you might have difficulty gaining serious interest.

Conclusion

Services are bought and sold by personal contact. Broad-based marketing should be designed to create it.

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TIP CLUBS

Any time you network with other people, you can get a business lead or referral. For instance, industry associations can work as tip clubs if you make the effort to network. However, specific groups called tip groups or clubs have been created for members to give other members leads and referrals.

There are many variations of tips groups, but generally, you attend weekly and bring in a lead for someone else in the group. Groups typically limit membership to one of each type of business so that there is no competition. This means there may not be an opening in established groups if they already have an accountant or attorney.

Start Your Own Group?

Stockbrokers, insurance agents, bonding agents, bankers, and many other professionals are looking for referrals. Consider forming a “tip” or “lead” group. You could ask a bank trust officer, a computer vendor, an insurance broker, a commercial real estate developer, and other compatible professionals to join your club.

Think about your clients first as potential members, then their service providers and bankers. While groups usually have

20 or so members, even a very small group can work if you get people who bring you regular leads.

Existing franchises

If you don't want to start your own group, there are many groups available, including franchises (Business Network International, Le Tip, Leads Club) and groups run by your local Chambers of Commerce.

Conclusion

You can often find existing tips groups listed in your local newspaper business calendars. Such groups can give you a structure to improve your prospecting and referrals many times over.