

Prospecting—A Gold Mine if you Dig It...

Prospecting has the connotation of “hunting for riches” and it’s as true in sales as it was out in the gold fields. For a professional salesperson, prospecting has two meanings: Looking for new customers and looking for new decision-makers at existing customers.

To be successful, begin by answering these simple questions:

How much do you need to sell to new customers to accomplish your sales goal?
How much additional business do you need to get from existing customers to accomplish your sales goal?

You answer these questions for two reasons—first, you need to determine how important these topics are and secondly, you need to understand how much effort is involved. As a rule of thumb, think about it this way—

If your sales goal needs 30% of your sales to come from finding and selling new customers, you will need to spend at least 45% (and possibly as much as 60% of your proactive sales time) to do it.

If you need to generate additional sales at existing accounts, it's only about a one-to-one relationship where 15% of sales requires about 15% of your proactive selling efforts.

The reason that we start here is that you need to understand that prospecting is a regular, on-going time commitment. Depending on how big your goals are, you need to spend a significant portion of your time—everyday—in prospecting activities.

Okay, you’re thinking—enough preamble. So how do I prospect?

There are several things that you should do:

First, look at the customers where you have been successful and see what they have in common. What market segment are they in? How big are they? How are they structured? To be effective, you need to begin by developing a profile of what a “good” prospect looks like.

Second, you need to put a list together of potential customers (or potential contacts in existing accounts). You can do this by reviewing the business directories of your territory; doing research on the internet; asking your current customers for names of other possible customers; talking to other salespeople that call on your customers that do not sell competing products for other companies where they are successful; talking to other salespeople in your

company; and even following your competitors around to see where they are going to sell things.

Your goal is to get a list of customers or decision-makers that you need to call on.

Once your list is established, you then need to drop back a little bit and make sure that you have a story to tell. Remember that when people have not bought from you in the past, they are likely to continue doing that so you need to think about some reasons why they should want to work with you. This is the “value proposition” and you really need to be clear on this.

With all of this done, you need to set a schedule for prospecting. Take the list you have created and schedule prospecting activities. When a salesperson tells me that a significant portion of their sales need to come from new people, I expect to see an itinerary that shows a regular series of scheduled activities and hopefully sales calls on the companies/people on their list.

Good prospecting also includes some sort of mechanism for tracking effectiveness. The tool that I recommend is an account profile. You should establish some simple format that allows you to see what you are learning on your prospecting calls. The most effective salespeople engage their prospects in discussions that allow them to share their needs. After you have made a prospecting call the goal is not for the customer to know everything about your business but you to know a lot about theirs....Chew on that one while....

All prospecting efforts also have some sort of feedback loop. The ultimate goal of prospecting is to find pieces of business to work on. After you have been working your plan for a month, take a few minutes so determine what, if anything has been accomplished. If you have nothing to work on, maybe you need to tweak one of the following:

- Your definition of a good prospect
- Your prospect list
- Your value proposition
- The amount of time you are spending on prospecting
- The quality of your efforts

In the old days, the miners would load up their donkeys with picks, shovels and the like and head out to the gold fields. Remember that you have to get off your own “donkey” and employ the tools if you want to “strike it rich...”

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