

## Mid Year Review

By Breandan Filbert

*Insight for sales managers to gauge performance and know your producers are on track for results.*

We are halfway through another year and the routine is in place. The economy is stabilizing and you are aware of what the new normal represents. Prospect profiles have changed based on new market approaches and hopefully your team is adapting to the shifting requirements of this new (or different) client need. This requires a consistent approach to your internal management and sales teams seem to be more receptive to an internal coach to help them brainstorm new approaches to this market. The demands placed on your time require you to be highly effective as a coach to provide them with what they need in addition to managing your other responsibilities. We hope to provide you with a few ideas to support your team and maintain consistent sales results in spite of the distractions produced by 3<sup>rd</sup> Quarter.

Customer loyalty is gone. The competitive landscape has even the most loyal relationships checking all options. The good news in this for you is that even the long term relationships are up for a 2<sup>nd</sup> opinion. Of course, your best clients remain someone else's best prospects and it's critical you are aware of what is happening in those relationships. Also remember your best source for new clients remain with peers of your existing great clients.

### Face Reality

Great leaders confront the current skill set of their team and gaps therein. Then you are in a position to develop action plans based on those facts. You support your team to execute that plan, and pay for performance – not mediocrity. This article will provide you with the steps to conduct a reality check with each member of your sales team. Once this is done, there's no question of whether a marketing/prospecting effort is in order – or better structure and accountability to accomplish sales goals.

### Getting Started

Figure out your steps to a sale. Every sale cycle has definite steps to get from the 1<sup>st</sup> conversation to collecting a check. Think of it like your morning routine: you get up, hit the shower, get dressed, etc. The exact same process applies to define your sale cycle. To determine your steps you can gather your team together and have them provide you with the steps they took to get from suspect (someone they think might be a good client) to paying customer. For one of my clients it sounds something like this:

1. Research and gather names of fastest growing bio-tech life sciences companies (This is normally found in publications in your area). Find out who they currently work with to determine their approach.

2. Find the name of the decision maker and look for avenues to get referred (If you get referred by an advisor you have a much higher chance of closing business than through cold calling or approaching through advertising/direct mail).
3. 1<sup>st</sup> contact – Conversation with decision maker to determine interest in pursuing an alternative solution. Must find pain or reasons to change. Schedule meeting with decision maker and ideally as many key influencers as possible.
4. Meeting – During this meeting your sales person must find shortfalls in service, gaps in product, areas their current solution is and is not meeting their needs. They will have to find a lot to justify the pain of making a change. Also they must find out additional decision makers or influencers input and gain access to them.
5. Scope of work – Proposal developed if enough reason to change vendors. The proposal is developed to stated issues uncovered during the 1<sup>st</sup> meeting, do not add more. This complicates your sales process and lengthens your sales cycle.
6. Proposal presentation and review with decision makers – This is done in person. Nothing is emailed over without a conversation accompanying to review the information. Perhaps you have a small client that doesn't warrant a face-to-face, schedule a conference call and use a tool like GoTo Meeting to review docs and discuss. Then send info over (Nothing in sales is free, if you give information it is in exchange for a conversation and decision). During this meeting your sales person needs to find what information was not discovered during the needs analysis and determine steps to overcome or get to "no" if there is not a next step. Otherwise find next step to doing business and remember it is the prospect's next step, not yours. Don't suggest – this lengthens your sales cycle. Determine the need and satisfy it.
7. Timeline – This fits into renewal dates, employee surveys, any steps necessary to close the deal. This is your closing category.
8. Wins/Losses – Understand why you won or lost. You can learn as much from a loss as a win to know how to improve performance.

This gives you an example of where to begin with your sales process. You can then develop an Excel spreadsheet that populates information indefinitely. Some CRMs (Customer Relationship Management) such as SalesForce.com and ACT! Offer this process to define and develop your sales teams contacts. You may have something in house already developed that can be customized to gather and sort this data. As a sales manager, you are only as effective as your data. It tells you trends and development areas with each producer to develop your coaching/mentoring plan. It is invaluable. Now, don't require extensive call reports or spreadsheets filled out by producers - it's a waste of time and creates a huge duplication of effort. Give them a tool to organize their info and contacts. Prompt them with follow up items in their calendar to save them time and make more \$. Then they will use the tool.

### **Determine Your Timeline**

On average there is a normal time a prospect remains in your pipeline. Any longer and it stalls out and becomes 'smoke in your pipeline' and leads to false hope and inaccurate projections. Shorter

means there may be reasons to change and you have an overly aggressive producer that is getting thrown out before engagement and needs coaching to improve their skills. Your job as sales manager is to ensure the prospects are moving through at a timely rate and not stacking up. For instance, if your average sales cycle is 90 days prior to renewal, then the prospect remains in the sales persons pipeline for that period of time and no longer before it no longer counts in their sales numbers and moves into Marketing/Follow up for next year.

Next set production goals to determine the volume through the pipeline necessary for quarterly and annual production numbers.

On average you will find 25-40% of prospects do not move from 1<sup>st</sup> meeting to proposal stage. This is because your sales person finds out there is not a reason to do business, and you recognize the cost of proposal is only worth investing in a quality opportunity. It's not good business to throw proposals around and put the service team through the gyrations necessary if you only have a 10% shot at a deal. I normally recommend a 75% chance or better at getting business before I prepare a scope of work. Ideally your prospect will help you draft your scope of work or proposal to address their needs in the most effective manner. This ups your chances to 85% or higher. You track several opportunities through the pipeline until you arrive at a single producer's average.

When in sales, my numbers were normally pretty high as most of my prospects came from referrals and very few from marketing/cold calling efforts. This meant I had a high conversion from 1<sup>st</sup> meeting as the prospect was highly qualified before I ever picked up the phone. Then they were engaged and often my referral partner attended the meeting and facilitated the sales process. This meant I had a high conversion to proposals that my prospects helped me draft. This resulted in a high percentage of prospects who arrived in my pipeline and traveled out the other end as clients. 75% of people who had conversations and converted to appointments resulted in sales. The typical producer we have encountered will have anywhere from a 25%-50% total closing percentage.

Here's an example:                    4 prospects to begin with that 2 convert to proposal =  
1<sup>st</sup> meeting conversion rate 50%

2 proposals  
1 closes for yes(win) and 1 for no(loss)  
Proposal conversion rate 50%

Sales persons average is 25%

Now factor in a 90 day average sales cycle

If production goal is \$100,000 annually (easy math, insert your # here)

Each quarter your sales person is responsible for finding \$100K in new business opportunities to their pipeline. Or \$400K annually.

Conduct monthly pipeline reviews with your producer. This is where you review the opportunities through the spreadsheet one-by-one. A prospect cannot remain stuck at stage 2 for two meetings in a row. Have the producer call and find out if they decided not to do something. Was there something your producer did not ask or present that made them change their mind?

Having your sales manager call to figure out what the producer missed with prospects who are stalled out can be one of the most powerful development tools in your coaching arsenal as well as a great door opener with your prospect to be totally candid about their decision making process. This review also allows you to see which producers are 'sandbagging,' collecting opportunities that don't ever move forward. They back up the flow of water (sales) to your business and give you a false illusion of new business heading in. A line-by-line review and familiarity with who your producers are chasing will create a sense of accountability. When you see that new opportunities are stagnant and you keep rehashing old prospects, it's clear it's time to start 'smiling and dialing' to get the momentum rolling on new prospects to your company.

To receive a sample spreadsheet you can adapt to your agency sales process please email [bfilbert@salezworks.com](mailto:bfilbert@salezworks.com). If your team has a stagnant pipeline without enough new prospects in the door, check out [www.productiveprospecting.com](http://www.productiveprospecting.com). Then [sign up](#) for our next Prospecting series.

If you have any questions please call Breandan Filbert at (816)522-8178 or email [bfilbert@salezworks.com](mailto:bfilbert@salezworks.com).

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