

How to Fill Your Prospecting Pipeline

By Dr. Tony Alessandra

The goal of every salesperson is to make sales. Unlike most other businesses, in sales the purchase represents merely the tip of the iceberg. What lies below the tip, or in this case, before it, is much research, preparation, and legwork.

To conceptualize the need for preparation, imagine that you are in the plant business. You grow houseplants and carry 12 varieties, each of which blooms in a different month of the year. So you have a different plant available each month of the year. Each of these plants, however, requires 12 months to grow from seedling to full-bloom. In addition, each plant requires attention once a month. This attention includes feeding, watering, pruning, and rotation. So you set up a schedule in which you plant the seeds a year in advance and then every month do what is required to continue or start the growth of each plant. The pay-off doesn't come until after you've started, but each month thereafter a new plant will be ready to sell. You're all set, unless you forget a step some month. You will discover your oversight many months down the line. By then, however, it's too late. In the plant business, you can't plant the seeds on the thirtieth of the month and expect to have a sale on the first.

The development of your business as a salesperson also requires investing in a future payoff. The time lag between planting your seeds and reaping the rewards varies. Each month, however, you must do what is necessary to ensure a future yield. The maintenance and growth of your business requires that you:

1. Continually replenish your source of prospective clients
2. Qualify prospects to determine their eligibility as clients
3. Create a "business friendship" with each new person
4. Study the needs of each prospect
5. Propose solutions to prospects' problems
6. Confirm the appropriate purchases
7. Assure client satisfaction after the sale

Developing the habit of routinely engaging in these activities will provide a smooth flow of income in the future. A failure to tackle these activities conscientiously will create a "sales slump."

THE CAUSE AND AVOIDANCE OF SALES SLUMPS

A sales slump is almost always due to negligence. Throughout the years we have found that salespeople who "get lazy" or ignore the cyclical nature of sales eventually experience slumps. Slumps can be avoided by maintaining an effective pipeline.

The following illustration demonstrates the steps necessary in creating an effective sales pipeline. Starting at the top of the pipeline, you have the general public, an almost infinite source of prospects. Through the process of qualification and selecting a targeted market, you reduce the infinite source to a realistic number. This group then enters the pipeline one at a time to be "processed." You contact the prospects and study their needs to determine how your product or service can help them. After preparing an intelligent proposal, you suggest several alternatives to the prospective client and confirm the sale. You have then added yet another client to your pool. The task then is to cushion them by assuring ongoing satisfaction.

The flow from the reservoir of prospects to the pool of clients will be constant as long as you earnestly maintain each phase of the pipeline. This will result in a continual flow of income to you and make slumps a thing of the past.

THE RAW MATERIAL FOR YOUR PIPELINE

Productivity - whether of a factory, or a salesperson - requires raw material. In the sales business, your raw material is people. You more than anyone else, must be a "people person." You want and need to meet new people constantly in order to maintain a steady flow through your sales pipeline.

The sources of prospects are so extensive, that many salespeople find them overwhelming. Having too many choices often makes decisions more difficult. As a salesperson, you need to be well versed in all the proven methods of obtaining prospects before choosing your best strategy. Only then can you professionally generate a virtually endless number of people to meet as prospects. The most accepted sources of prospects include the following:

1.) CUSTOMERS

Satisfied customers represent an excellent source of prospects for you. They'll talk to their friends and associates about their new purchase and they may mention your name.

Most professional salespeople say the most effective way to obtain referrals is to ask specific questions. One way of doing this is to review your list of qualifying criteria for prospects. Choose one criterion and base your question on it. For example, let's say one of your qualifying criteria is that the prospect has recently been promoted. You would then ask your client, "Who do you know who has recently been promoted?" You should also ask your client if you could mention her name when contacting someone to whom she referred you.

2.) PROSPECTS

Prospects beget prospects. Many new salespeople assume that if a prospect doesn't buy, then there is no potential left in the relationship. Not so. A prospect can be asked for referrals in the same way that established clients are asked. With a prospect, however, it is paramount that you create a professional business relationship before asking for referrals. If you are perceived as being credible, trustworthy, and ethical, your prospect will have no qualms about referring you to others.

3.) COMPANY LEADS & ORPHAN CLIENTS

Often, your company can furnish you with some very high-quality leads. It procures its leads from mailing programs, telephone solicitation, existing clients, and other sources. An "orphan" is a client who is not being served by another salesperson.

4.) FRIENDS AND SOCIAL CONTACTS

Your family and friends can provide a rich source of prospects. It's not uncommon to learn that a salesperson's friends and relatives have only a vague idea of what he does. Now is the time to enlighten everyone as to the exact nature of your business and devise a method of maintaining that contact on a regular basis. Send them something periodically to keep them up to date on you.

5.) MEMBERSHIP IN CIVIC AND PROFESSIONAL ORGANIZATIONS

The idea is to enjoy the organization and the people in it. If you also broaden your prospect reservoir, then you've really lucked out. If you're participating in a professional organization, there's certainly nothing wrong with letting people know what you do. In the natural course of conversation we're often asked, "What do you do?" It's probably to your advantage simply to tell them what you

do and leave it at that. Later, if you see that you may be of some service to them, you can approach them and discuss their needs in a relaxed and helpful way. You don't have to "sell" every prospect as he or she appears.

The organizations you choose to join and participate in should be loaded with prospects within your priority target markets.

6.) CENTERS OF INFLUENCE

A center of influence is someone in a position to steer you to prospects or prospects to you. He or she is someone important to you for one reason or another. There are centers of influence in every facet of life and business. In order to ask a favor of someone who is going to influence the opinions of others, you must build rapport with the influential person. Be sure that they know the benefits you have given other clients as well as the types of prospects you are seeking.

7.) CANVASSING

Before you contact people or firms in your area, they should be qualified. Because they are unsolicited prospects, study their situation to determine any obvious need for your service or product. You can then approach them in an intelligent fashion. Doing your homework will make you a credible salesperson from the beginning. This alone opens more doors than simply having a strong foot. If done with sincerity, interest, and research, canvassing can expand your prospect reservoir significantly.

8.) CONVENTIONS AND TRADE SHOWS

Conventions and trade shows are to a salesperson like a candy store to a child. They are gold mines for prospecting. Attend as many trade shows and conventions as practical. At the convention, try to meet as many people as possible. Ask them about their companies and try to uncover their needs. After the convention, follow up on your leads and prospects. Be sure to refresh their memories as to where and how you met. Often they will have pleasant recollections of the time you spent together at the convention.

9.) DIRECTORIES

In addition to the Yellow Pages, your local library has directories on everything imaginable. Whether you're scouting out prospects in a particular area or creating a mailing list, directories will save you time and energy. Some directories list specific people to contact, such as corporate officers or department heads. Seek the guidance of your librarian in finding the right sources.

10.) TIP CLUBS

The purpose of these groups is to make each member aware of the resources available from the other members. This type of give-and-take results in-group synergism. The branches of each person's prospecting tree are extended further outward. Each person is able to bring to the group his or her area of expertise, centers of influence, social networks, and business contacts. With everyone bouncing ideas off one another, a kind of professional kinetic energy develops in which everyone can gain information, cross-sell, obtain referrals, and increase the drive to achieve. Most tip clubs meet on a regular basis over breakfast or lunch.

11.) STUDY GROUPS

Study groups have become a very effective tool for strengthening a salesperson in his or her career. A study group is an assemblage of individuals involved in similar, yet not identical, activities. They form close, business-related friendships in order to help each other grow and develop as sales professionals. At each meeting, they bring one another up to date by comparing notes on recent events, types of strategies planned, obstacles encountered and overcome, and other insights. Each member tries to strengthen the other members by offering observations, assessments, feedback, and support.

12.) DIRECT MAIL

Direct mail as a means of prospecting offers the major advantage of allowing you to reach a large number of people without being physically present. There are two basic kinds of direct mail strategies - onetime mailings and "campaigns." The one-time mailing is aimed at generating an immediate response to an attractive offer. The "campaign" or "conditioning" method seeks to make the prospect increasingly more aware of you as a viable answer to her needs in a particular area.

13.) NEWSLETTERS

The rate of technical advancement in practically every field is so great that a few individuals can keep abreast of it. If you are selling in one of these fields and have a thorough understanding of the changes as well as a knack for writing, you're in a prime position to issue a newsletter. Mailing a monthly newsletter would certainly be a service to your clients and prospects. They would appreciate your saving them time and would keep you in mind as someone with whom to do business.

14.) PUBLIC SPEAKING/Seminars

Civic clubs, professional organizations, corporations, conventions, and church groups are constantly seeking effective speakers to address their groups. There are two effective ways to gain prospects from a public speaking engagement. You can distribute response cards on which interested prospects fill in their names and phone numbers. You can also offer to send a free article on your speech topic to any attendees who give you their business cards. When you mail the article, you can also include information about yourself, your company, and your products/services.

QUALIFY YOUR PROSPECTS

The failure to qualify a prospect will cause you considerable frustration and loss of time and money; it will decrease your efficiency. Remember that a "prospect" is someone who has a need for your product or service. A qualified prospect not only has the need, but also the means to act. Your calls-to-sales ratio will be much higher if you qualify each prospect before making your call. Qualifying a prospect involves three basic steps:

1. Set the conditions for qualifying your prospects. Make a checklist of important prospect characteristics such as position in company, credit, and so on.
2. Determine whether your prospect possesses these factors.
3. Decide whether this is a good time to initiate contact with this prospect. Timing is often essential.

If you're scientific about your prospecting, you'll increase your prospect reservoir and know exactly how you did it. This makes for future success rather than a "hit or miss" career.

There are literally acres and acres of diamonds (prospects) sitting out there waiting to be picked up. If you can cultivate an awareness of the sources and the discipline to pursue them, you'll never have a sales slump and you'll be handsomely rewarded for your efforts, with a new "crop" to be harvested every month.