

## **Prospecting**

By Dr. Tony Alessandra

There are two ways to generate business -- getting people to come to you, or you going after them. Prospecting is going after them while promoting high visibility is getting them to come to you. We'll discuss prospecting in this segment and creating high visibility in the next.

One of the first things you can do is be sure you're doing something in addition to working your current leads or sitting at your desk waiting for the phone to ring. Successful salespeople don't make their money solely off company leads! They develop their own business and social contacts. They ask their friends if they know of any people who might be interested in financial planning or insurance products. They give seminars and lectures to groups of target prospects regarding financial security, estate planning, retirement planning or funding educational needs for children. They send direct mail to the owners of businesses or target market prospects such as doctors or CPA's. They find out what kinds of business and social activities their profile prospect is likely to engage in, whether it's golf or Chamber of Commerce meetings, and they join and participate. They get involved in civic and professional groups to build a reputation. Because they know, the more visible they are with their prospects -- the more likely prospects will do business with them.

Also, investigate former customers who, for some reason are no longer doing business with your company. One reason may simply be that they haven't been called on in a while because the salesperson who originally sold them is no

longer with your company. These former accounts represent a gold mine right under your nose.

And remember, prospects are everywhere. Casually talk to the parent sitting next to you at your child's after school baseball game. A sale could be sitting right next to you!

Do your prospects play golf? Consider joining them for an afternoon round. Always be thinking, "What could I do for this particular prospect that would allow him or her to experience the value of financial planning?" If you make sure its convenient and easy for them, your prospecting can be much more successful.

Your goal is to make sales. What lies before you, however, is a great deal of research, preparation, and legwork. Look at it this way. Imagine that you're 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 a year 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. However, you probably won't discover your oversight until many months down the line. By then it will be too late. In the

plant business, you can't plant the seeds on the thirteenth 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) study the needs of each prospect, and (4) propose solutions to prospect's needs.

Let's talk for a minute about SOURCES of prospects. I'll cover each area individually, and you'll have an exercise after the video that will allow you to actually see how each of these areas can assist you with your prospecting.

The first one I'll cover is called, "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 a group synergism. 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 groups meet on a regular basis over breakfast or lunch. They often have a short program during which a member can describe his or her product or service. Most "tip clubs" follow a few simple guidelines, which will be covered in your exercise handout.

CANVASSING is another excellent source of prospects. Canvassing can be a potential source of prospects if you follow some simple guidelines. 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 products and services. Determine when seems to be a good time/quiet time to contact them. If done with sincerity, interest and research, canvassing can expand your prospect reservoir significantly.

**EXISTING CUSTOMERS:** Satisfied customers represent an excellent source of prospects for you. They'll talk to their friends and associates about their purchases, and they may mention your name. Occasionally a customer will tell you the name of an associate, but this is rare. So it's up to you to probe your customers tactfully for referrals. This is a habit you could cultivate after each sale or call. If you're always tactfully asking customers for referrals, perhaps they'll think of some for you even when you're not there. If nothing else, they'll be impressed with your enthusiasm and "stick-to-it-ivity."

Most professional salespeople say the most effective way to obtain referrals is to ask specific leading 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 is the owner of their own company. You would then ask your client, "Who do you know who wants to reward their key employees or supplement their profit-sharing plan with a minimal effect on current cash flow?" You should then remain silent, giving your customer time to think.

When a customer is giving you referrals, especially if there's more than one, jot them down without analyzing them. After he's finished, you can go back and question him on qualifying details.

Your customers are some of the most valuable resources for referrals that you have. They know other business people in their field and are in the best position to recommend you to them. For this reason, you should ask your client if you could mention his name when contacting someone to whom he referred you. Through your customers you'll find new branches to follow to tap prospective clients.

PROFESSIONAL GROUPS are another excellent source for prospects. Consider joining organizations comprised of prospects within your target markets. As an individual, become involved with your family, friends and different community groups. You'll lead a more fulfilled life if you're active and interested in the world around you. And there's certainly nothing wrong with letting people know what you do and of your willingness to be of service to them. In the natural course of conversation we're always asked, "What do you do?" However, be aware that one of the fastest ways to turn people off is to launch into a sales pitch. Simply 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 it in a relaxed and helpful way.

Once you get to know everyone in the organization (if it's small enough for you to do so), you can try to obtain a membership list or directory. You are then in a position to systematically contact each one in an informative, casual way. It's not advisable to send "blanket" direct mailings.

Now let's talk about DIRECTORIES. In addition to the Yellow Pages, your local library has directories on everything imaginable. Directories will save you time and energy. Some list specific people to contact, such as corporate officers or department heads. Polk publishes a directory that lists everyone living in every city in the United States with their occupation. This puts you in a position to send an introductory letter to as many people as you wish. There are also specialized directories for industries such as the hotel and travel industry.

OTHER PROSPECTS can also be great sources for 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're perceived as being credible, trustworthy and ethical, your prospect will have no qualms about referring you to others. In fact, the better your relationship with a prospect, the harder he'll work to think of referrals for you. When they can, people like to help those they like.

Also, consider CENTERS OF INFLUENCE. A center of influence is someone in a position to steer you to prospects or prospects to you, such as an accountant, attorney or banker. Focus on building a trusting relationship with them BEFORE asking for referrals. Be sure they know the benefits you have given other clients. Let them know your goals so they can be aware of the kind of prospects you're looking for. Make sure they know that you sincerely want their help. Give them a formal presentation describing your services or products. Provide them with an extensive list of testimonials, personal and business

references, and a professional resume. Centers of influence are very concerned about referring only those salespeople who will not undermine their reputations. Be sure you report back to the center of influence after you contact the person referred. And finally, find a professional way to reciprocate or to say "thank you."

And when prospecting, don't overlook your FRIENDS AND SOCIAL CONTACTS. They can provide a rich source of prospects. It's not uncommon to learn that your friends and relatives have only a vague idea of what you do. Whether you can sell to them is secondary. Like any prospects, they may be able to refer you to others. Just qualify them before calling. After the initial contact, for those you want to continue networking with, devise a method of maintaining contact. Start a mailing list and send them something periodically to keep them up to date on you. Newsletters, brochures, direct mail correspondence and birthday cards will all serve you well. Just keep in mind that when you approach a friend or relative, it's best to do it in a low-keyed manner.

CHAMBERS OF COMMERCE are also excellent places to prospect -- especially for the small business market. It is their job to keep up to date on local businesses and to aid in their development. For example, if your targeted market was non-profit organizations and charitable giving, the local Chamber would very likely have a listing. The information is relatively easy to get and is usually free.

Even consider starting or joining a local STUDY GROUP. 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 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 strengthens the others by offering observations, assessments, feedback and support. Just make sure the group is kept noncompetitive.

TRADE ASSOCIATIONS. If your target market consists of a very specific type of business, there is a good chance that most firms in this business belong to a trade association. The association could be very helpful in providing you with information on its membership. Most trade associations publish a monthly or quarterly magazine for their membership. This could keep you up to date on trends and issues in your target market industry. The trade association might also have for sale a mailing list of its membership. This could be helpful when you are doing your direct mail prospecting.

Another area of prospecting to consider is producing your own NEWSLETTER. The rate of technical advancement in practically every field is so great that few individuals can keep abreast of it. If you are selling in one of these fields and you have a thorough understanding of the changes as well as a knack for writing, you're in a prime position to produce a newsletter. As an enterprising salesperson, you could develop a monthly or quarterly newsletter in which you call attention to new products, services, and technological improvements. This would provide a service to your clients and prospects, and save them time. It would also keep you in their mind as someone with whom to do business. In your exercise you'll find some key things to remember when producing a newsletter.



Now let's look at some general ideas to keep in mind when prospecting. First of all, no matter what source of prospecting you utilize, ALWAYS have a prospecting plan. The Basic elements include (1) setting objectives, (2) classifying prospects, and (3) evaluating your results.

The objectives set for your prospecting plan should be very similar in nature to any other type of marketing objective you would develop. All objectives should be (1) QUANTIFIABLE. This means they must be measurable for purposes of evaluation. Measurement criteria should also be specified, such as identifying and contacting so many new prospects per month. (2) Objectives should also be REALISTIC, while at the same time motivating you. (3) They should be TIME SPECIFIC. Without a beginning and an end the objectives will be of little value. And, (4) they should be put IN HIERARCHICAL ORDER. If more than one objective is needed, rank them in terms of importance.

Once you've identified prospects you want to contact, classify and record them according to categories that are meaningful to you. For professionals, you could divide them by doctors, lawyers, architects, etc. For centers of influence, there would be accountants, attorneys or bankers. For business prospects there would be subdivisions for small businesses owners, partnerships, professional corporations, key executives, and so on. In addition to WHOM to talk to, you could target the TYPE of sale such as whole life, disability, annuities, general financial planning, etc.

To assist you with implementing this, you'll be designing what I call a "Prospect Data Sheet." It will include pertinent data, such as the prospect's

name, company name, address, phone, category of account, type of prospect, and a record of the actions you have taken, with dates, and the actions you intend to take.

Getting business requires creative prospecting and a comprehensive prospecting plan. If you have a plan, and you work the plan, you'll have an unending flow of qualified prospects and consistently high sales.

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