

The background of the cover features a world map in shades of blue. In the center, two men in business suits are shown in silhouette, shaking hands. The text is overlaid on the left side of the image.

The Miller Heiman Prospecting Guide

Best Practices for Maximizing New Business Development

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The Sales Performance Company

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Best Practices for Maximizing New Business Development

How often do you spend time prospecting for new business opportunities?

Consistent prospecting is vital to a sales professional's success and the success of the whole sales organization. If you're not paying proper attention to the sales that need to be closed, the sales that need further development, and the new opportunities available to be plucked from the universe, your funnel's health will decline and you'll never make your quota.

The most successful sales professionals are those who are really efficient at prospecting. All activities within the sales process are important, but to reduce how low you go into the valleys of your sales cycle, prospecting must be a top priority - right behind closing business. You can't leave it on the back burner.

Good prospecting techniques can impact your number of qualified leads and directly translate into increased revenue and a higher commission check. Because it's such a crucial part of the sales process, how do you make sure you are identifying those prospects that will produce a win for both your organizations?

We've compiled resources that address this challenge to help you master the techniques that will maximize your prospecting efforts. This guide presents a number of articles that will help you improve your prospecting skills and achieve top-performer status.

Time is valuable – your clients' and your own. You don't want to waste it chasing opportunities that have no real chance of closing. Read on to learn how you can identify ideal prospects, manage your time more efficiently, and expand your prospecting universe.

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Social Networking 101

Finessing Your Network for Prospecting

Three Ways to Improve Your Sales Calls

You've got a hot prospect. You need a face-to-face opportunity to sell your product and services. So you stop by, without an appointment, hoping to make it past the receptionist and catch the decision maker in a rare unscheduled moment. "I was in the vicinity, and thought I'd just stop by to say hello." Well, at least you tried.

Of course, there is a place for pleasantries and the social aspects of business, but let's not confuse those with a sales call. Many salespeople focus on their own comfort area, on social calls and lunch dates – or the product pitch. And as a result, the sales process never gets off the ground.

Before you try to call someone or meet with them in person, you must ask yourself one question: "What is the reason this person should be speaking or meeting with me?"

The answer to this question should be the reason a potential buyer will spend time on the phone or in person with you – your Valid Business Reason. Most importantly, the answer should highlight the value provided to the customer for engaging in conversation with you.

Having a Valid Business Reason for every sales call, whether in person or on the phone, is the considerate way of doing business. It tells buyers, no matter how long you've known them, that you've given some thought to their current challenges and that you're looking for solutions that are valid to them.

What is a Valid Business Reason?

1. It's Valid: It's all about the customer. Valid to customers means it's worth making time to hear about how you can help solve a problem that keeps them up at night.

2. It's Business: Research shows that many sales calls are too general and unfocused to be useful to buyers or sellers. Do your homework and manage your selling time. Understand their business. What are their challenges? What are they trying to fix, accomplish or avoid?

3. It's a Good Reason: Not your reason - the customer's reason. Be prepared to explain why taking time out of a busy schedule for you rather than spending it on other priorities will benefit them in the long run. Tell the customer what you'd like to meet about and why you think this could be of value.

It's About Solutions

How can your solution help what they want to fix, accomplish or avoid? Doing your homework will allow you to be more specific. The more accurate and detailed you can be, the more concise your message will be. Remember it has to be quick and to the point so it can be left on a voice mail or with a receptionist. It must always be from the customer's point of view.

By defining your Valid Business Reason, you'll improve your ability to get face time dramatically. ■

Mastering Proper Prospecting Timing

Timing is crucial in all parts of the sales process, but it is most vital when prospecting – when a sound understanding of how it's executed can affect your chances for developing prospects into opportunities.

Plenty of questions arise in sales representatives' day-to-day prospecting efforts, too.

Questions that Surface in a Given Sales Process:

- How long does it usually take to develop a prospect into a well-qualified lead?
- How long should the typical sales process take?
- When is a good time to approach a prospect with a proposal for your solution?
- Is my selling process in step with their buying process?

Consider the following to build a check list for mastering the often glossed-over basics of timing in prospecting.

Time Zones

Effective prospecting requires research and discovery to determine whether the candidate could be eventually developed into an actual customer. When identifying initial company contacts, be certain to note their geography.

General research may turn up important specifics on a company's offerings, mission, and employee build-up. But neglecting to identify such a crucial piece of information like location and time difference can instantly derail your chances for credibility.

Would you call someone back if they called outside of office hours? Lack of regard for regular business hours can convey to a prospect that a salesperson lacks professionalism.

Calling an east coast prospect while working from the west coast? You don't want to miss out on your best opportunity to talk with them during their legitimate office hours while they have business on their mind.

With every sales call you make, determine where the contact is within the organization's geography. Are they in the corporate office in New York, working remotely while traveling in Europe, or positioned at a company branch in Asia? Confirming your prospect company's location shouldn't stop at headquarters – consider the time zone of each individual to start off on the right foot.

Time Courtesy

How many times have you launched into your opening statements on a prospecting cold call only to hear they don't have the time to talk? Sometimes it may be hard to suppress the initial urge to launch into conversation, but always ask whether a prospect has a few moments to talk. It sets the precedent that their needs are most important.

Assumptions can be dangerous, especially on the first opportunity for discussion with a potential candidate for new business. Offer your prospects the option to politely decline and propose a time to reschedule the conversation.

Time Expectations

Once you've confirmed with a prospect that they have a few

minutes to talk, be courteous enough to tell them how long the call will take. Clueing them in to the time it will take from their day allows them the opportunity to decide whether now is appropriate.

Prospects may decide they don't have time at the moment to talk to you but it reinforces your credibility by ensuring you have their interests in mind. Remaining completely focused on the prospect's needs continually supports your selling initiatives as it portrays your entire organization as one that is geared, not toward revenue, but toward customer solutions.

Be sure they understand that, within the call, they will have time to voice their concerns and business issues and will receive answers to any questions they have. Don't forget to reiterate that the phone call can always go longer if the customer needs to further discuss what they are trying to accomplish.

The Right Timing

Remember that not all prospecting calls – outbound or inbound - need to result in an immediate conversation. Setting an appointment to discuss items at a later date can begin the process for prospecting.

Even in ideal market conditions, when your calendar just can't seem to calm down, don't be afraid to reschedule inbound calls for a later time. You can devote greater energy and resources to the prospect. Voicing that you simply don't have the right amount of time to address the customer's questions at that moment isn't rude, nor is it the mark of a poor salesperson. So long as relevant information is collected first, it can give you a distinct advantage.

With the added time, you can research the prospect. Preparation illustrates to prospects you have taken the time to get an understanding of their company, industry and competitors. A word of caution: don't form preconceived notions of what their solution should look before the call – leave it to them to articulate.

The bottom line remains: timing can affect a sale in any stage of its process. Mastering the essentials can ensure your prospecting efforts remain grounded in the actions that deliver results. ■

Maximize Your Time by Defining Your Ideal Customer

When we use the term Ideal Customer, we're not referring to an actual, real-life customer. The Ideal Customer is a standard that you identify to help you measure your prospects against to see if they are a good fit for your company's solution. Why? So you can focus on the good ones, get rid of the truly bad ones, and anticipate problems with those who fall in the middle. Take a hard look at your most profitable customer in order to produce the hypothetical perfect customer you'd like to have. This will become the definition of your Ideal Customer.

Step 1. List best and worst. It's up to you. Start with those companies with whom you've done business. Just customers, not prospects. Limit yourself to those accounts where you've already done some business. List the best and list the worst. The best will include those that have given you the maximum number of wins and the least trouble. Then list those accounts that are the worst – possibly because even though you've closed the deal, either you or the customer feel that you've lost. Remember, you set the criteria.

Step 2. Next, list the characteristics of both the best and the worst.

Ideal clients may possess such characteristics as:

- Willing to pay for “value added”
- Committed to high quality
- Good proximity to my support center
- Size of end-user group

Unfavorable clients may possess such characteristics as:

- Inflexible on price
- Slow to make buying decisions
- Secretive and unwilling to cooperate
- Outside my industry expertise

Step 3. Now combine the two lists. List the positive characteristics, then add the opposite of your negative characteristics. For example, “slow to make buying decisions” becomes “has a process for making buying decisions quickly”. You've now created a profile of your

Ideal Customer. You're ready to evaluate the account to which you're trying to sell, against your definition of the best. Measure that account against each of your Ideal Profile characteristics.

Identify accounts within your total prospect population that share a similar cultural value. How would you know this? Do your homework. Research available information on the company. Listen to the kind of messaging used in annual reports, press releases, and client success stories. Search for press coverage on the Internet. What are other people saying about them? Aligning your selling efforts around common characteristics establishes a connection bound by a mutually respected value-system.

If expediency was a common characteristic how would you use it as a strength?

Emphasize what the experience is like when someone does business with your company. Perhaps client communication is streamlined using a single-point of contact for resolving customer issues or challenges. Highlight the optimization of delivering the product or service to the customer. Can you do it faster than your competitors?

There's No Such Thing as a “Perfect” Fit

Defining your Ideal Customer Profile is highly effective in identifying your best prospects and separating them from the ones that could potentially become liabilities.

Most likely, the prospects you've identified to pursue don't entirely match every standard of your Ideal Customer Profile. They rarely do. But you will find that some potential customers match up a lot better than others.

What do you do with prospects that are not a fit, but still reflect some characteristics outlined in your Ideal Customer Profile? You can do one of two things:

1. Stop pursuing specific sales opportunities within these accounts because they represent a low probability of generating a win-win outcome.
2. Carefully pursue those that aren't a great fit, but anticipate what problems will likely arise and devise strategies for overcoming them.

Use your Ideal Customer Profile as a baseline test. Then weigh the information it gives you against everything else you know about the account. This balanced approach will focus your time, energy, and resources (both your own and those of your company) on the right sales opportunities. ■

Find Hidden Revenue by Cross-Selling and Up-Selling

Not all prospecting efforts need to be net-new. Often, cultivating the relationship with a current client can result in a prospect for future business.

In addition, it can cost four times as much to sell to a new customer compared to an existing one. By taking advantage of existing relationships and ongoing contact with customers, companies can sell more products and services, reduce the cost of sales, enhance customer loyalty, and drive revenue.

Cross-selling and up-selling techniques can be legitimate activities for prospecting when used correctly, and may be able to bring dormant accounts back to life. Read on for frequently asked questions to this effective prospecting activity.

What is Cross-Selling & Up-Selling?

If you are not currently engaging in cross-selling and up-selling, you may be leaving money on the table every time you close a sale. What's worse, your customer is leaving some of their ROI there as well.

Let's start with how Miller Heiman defines cross-selling and up-selling.

Cross-selling (verb)

(1) Expanding the number and quality of relationships between key people in the buying organization and the selling organization.

(2) Making additional relevant solutions available to the buying organization (e.g., new products).

Up-selling (verb)

Converting an initial order into a more profitable order. Typically manifested by the customer's commitment to (1) additional units of the seller's solution or (2) a premium version of the seller's solution. This doesn't mean selling one's customers something they don't need; it does mean selling one's customers more of something that they do need.

Why don't these two selling activities happen more often? Fear. Fear caused by the misconception that "asking for more" raises the risk of losing the sale. To eliminate this fear, it is critical to leverage quality business information. By taking the time to gather in-depth information about customers and prospects, salespeople can gain a greater insight into their accounts, uncover new business opportunities, and avoid many of the fears that get in the way of performing cross-selling and up-selling activities.

How do I cross-sell?

Selecting the right customers who present the greatest need for a certain product or solution is the key to effective cross-selling. This may be a new product added to your portfolio, but keep in mind it could also be an existing product. Certainly there are customers who are a good fit, but which customers present the greatest need for this particular solution? Leverage the information you have gathered to determine who are proper candidates for this activity.

Step 1: Identify Cross-Sell Opportunities. Make a list of your top customers. Next to each customer, list the products or solutions they have purchased from you. What do you see? Most likely this exercise will uncover a large area of opportunity with certain customers who have purchased only one or two of your solutions.

Step 2: Develop the Key Characteristics of Your Target Customer. Once you have a product in mind that you want to cross sell, create a list of key characteristics of your target customer. Consider the following when creating your list:

- It's not who has a need, but who has the greatest need for this product.

- It's not who will buy, but who will buy quickly.
- Quick wins help reduce fear and add to your credibility as a salesperson.
- Write down five characteristics of your target customer. Examples include company size, risk-taking culture, recent merger or acquisition, etc. One of these traits may outweigh all the others. So, if the customer doesn't present all five characteristics, but has one very important one, you may still want to pursue that customer.

Step 3: Compare and Select Key Customers to Pursue. Go back to the first list you made of your top customers. Which of these customers present characteristics of the target customer for your new solution? Which of these customers present the greatest need for your new product and are willing to buy quickly? These are the customers you should spend the time and effort with to build a strategy to cross-sell your product.

Each of these steps demands increasingly deeper understanding of the customer's key initiatives and the big issues that transcend all the potential buyers within the organization. That means taking the time to become informed on selected targets, their issues, and the business reasons that will motivate them to schedule a meeting or make a purchase.

When is the best time to cross-sell/up-sell?

The worst time to start thinking about cross-selling and up-selling is at the end of the sales cycle. By that time, it's too late. By incorporating the steps above into your sales strategies, you will be continually looking for ways to get the most out of every sale, while giving your customers the greatest value in return as well.

Can I reactivate dormant accounts?

It's a common situation - you have completed a project or engagement but you see lots of potential to offer other services to the client. Sadly, you failed to leverage that first sale toward more business so the account became dormant.

Cross-selling is selling additional complementary solutions, or expanding the initial engagement to other

locations for the same client. Any firm could increase their revenues by improving the management of their current clients in this manner. But some executives may tell you that cross-selling doesn't work. Why? Perhaps there is a lack of understanding by the client of your full suite of product or services. Maybe your organization lacks internal teamwork, or incentives for cross-selling, or the account manager fears losing control of the account. But, to say that cross selling doesn't work is the wrong mindset.

The key is to forget about other products or services you hope to sell the client, and to concentrate on what you can contribute to their business and organizational issues. ■

Social Networking Leverage: Finessing One of the 21st Century's Most Powerful Tools for Prospecting

"The more you demonstrate to prospects how much you know of what is publicly available, the more they're going to share with you the things that are not publicly available," this according to Miller Heiman sales vice president Rich Blakeman.

The notion is a powerful one. Choosing to lead by example, Blakeman is charging forward in his efforts to leverage social networking as an emerging, continually evolving and sophisticated technique for prospecting. With the advent of numerous social media vehicles, there is no denying the advantage sales professionals can gain by researching a prospect before making initial contact. By increasing his professional network in an online environment, Blakeman keeps a close eye on business contacts to improve existing client relations and stay alert for new business opportunities.

"Networking isn't new," Blakeman says. "This isn't a new idea. The online practice is just a new way to do it. The same people that were effective before are effective now, but these new tools make it easier."

Blakeman is convinced that tools such as LinkedIn are already becoming an integral part of how effective sales organizations can improve results by gaining further visibility into key accounts and developing prospect contacts into possible new business. “There’s a difference between managing your relationships and leveraging your network. The key to leveraging your network is to use it to help you mine the data that is out in other people’s network to your advantage.”

With such a wealth of information available, it’s difficult to choose from the variety of venues with which to harness it. The numerous features and applications in the social media environment aren’t necessarily self-explanatory. A bevy of tools are available to users on social networking sites, ranging from search options, news alerts, resume-like career histories, referral or introduction capabilities, and limitless varieties of exclusive groups based on interests, associations and professions. Recognizing that the technology exists is crucial, but Blakeman emphasizes the importance of understanding that it isn’t about the tool itself, it’s about how you use it.

“It’s absolutely vital for improving the level of prospect research,” Blakeman says, mentioning he touches his preferred social network site, LinkedIn.com, close to three times a day. “If you’re looking to make a call to a new contact at a senior level, you want to do some homework first. The people most likely to return calls to provide helpful information are easily identifiable inside a professional networking site.”

Social Networking Etiquette 101:

To help illustrate how to increase the quality of leads, Blakeman offers a few guidelines that can help sales professionals incorporate social networking into their prospecting efforts.

“Engaging in social media vehicles like online professional networking to improve your prospecting efforts is one thing,” Blakeman says. “Running rampant with the technology is quite another. Credibility and trust are the keys to being effective in social networking”

Because prospecting hinges heavily on the impression you make with clients, it is important to understand what

sort of social networking usage is appropriate and what is not. Blakeman insists that, to stay credible in the eyes of possible prospects, how and when you use your social network to stay connected should remain closely tied to those contacts’ purposes, not yours. “We all have people that only reach out to us when they need something from us. It’s imperative in social networking to demonstrate you operate responsibly and with integrity.”

Ensure you don’t jeopardize credibility by:

- Understanding the difference between research and stalking. Persistence is an admirable quality for a sales representative, as consistent contact with your connections lends credibility – but there must be a purpose behind the contact. Sales reps who position themselves in front of a client merely to accumulate face time convey a lack of regard for the client’s business issues. It can also come across as intrusive.
- Exercising discretion. While having a large number of contacts increases the power and pull of your network and opens connection possibilities, don’t add just anyone. A proper balance of quality versus quantity must be achieved. Having a stronger relationship with your contacts allows you to introduce others with better chances for acceptance, demonstrating to both connections that your contacts network is valid and can be trusted.
- Staying involved with your contacts’ networks. Social networking shouldn’t muscle out the other priorities of the day, but keeping a consistent awareness of who is being promoted, relocating, or changing jobs increases your visibility of the business environment. Blakeman advocates tracking the pulse of work activities to highlight the interests and priorities of your connections and clue you in to updates that may provide valuable insight. “One of the absolute critical factors in social networking is being timely,” he says. “I can track people that I knew at a given company and note where they go. Following their career highlights opportune times to approach them at their new company or leave a message regarding something they may find valuable.”

- Rolling with the punches. Blakeman notes that, much like on the front lines, sales professionals must grow a thick skin. “Don’t let unapproved requests or rejections get to you,” he says.

Finessing Your Network for Prospecting

Maximize your prospecting efforts through social networking:

- Look for coaches. Profiles of individuals within companies can indicate their interests, field specializations, and work history outside the current company. By doing a bit of digging, you may identify individuals previously employed with companies your organization has done business with. These candidates can evolve into advocates for your company’s solution, clue you in to proper proposal timing, help pinpoint proper buying influences within the company, and advise on how best to approach them.
- Find levels of influence. If Acme, Inc. has a new sales vice president who brought 17 employees with him, chances are there is significant degree of influence among the band of newly instated employees. Leveraging a relationship with those employees may provide an opportunity to connect upwards in the organization to support your initiatives.
- Search like a professional. Several social networking sites have search applications that can provide insight on numerous topics. Refine searches by job title, company name, company geography, and keywords to unearth available information. Validate company headquarters and get a better understanding of what a prospect’s field organization looks like. Where are sales leaders located? Where are company engineers located? Where is product development located?
- Expand the quality contacts within your network through referrals and introductions. Insistent that a balance between quality and quantity of contacts must be kept, Blakeman does not deny the power of numbers. “The bigger my personal network is, the more likely I can leverage it to find a connection

that will introduce me favorably to a prospect I want to meet.” He mentions that a larger professional network increases your ability to effectively search for data. “Simply put, you don’t get enough return out of a social network if you don’t have enough of a network. But if you only pursue quantity, you’ll end up adding people you don’t really know, diluting the efficacy of your network.”

- Relay the value of proposed connections. Much like a sales representative must understand the issues of a prospect in order to offer a comprehensive solution that will address their needs, imparting the value of a proposed professional relationship is necessary to bolster your acceptance rate. Provide those contacts who would be introducing you to others with valid reasons. This lends you credibility with them, and ensures they have a solid reason for introducing you, which in turn lends them credibility.
- Watch prospects and clients for better visibility of company actions. Look out for prospecting opportunities through the people in your sales channel and identifying their customers, competitors, and suppliers. “You may find a pattern in which companies are connected to each other, as well as good ideas for how to expand your company’s solution into that territory,” Blakeman says.

Online professional networking is becoming a mainstream prospecting activity within the sales profession. Building your foundation now may give you the step up you need.

“You never know,” Blakeman says of the part social networking plays in prospecting. “If you keep an open mind to what you’re going to find and what value it will provide, you may be surprised where your next source for business comes from.” ■

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