



**New Customers**  
**Straight Ahead**

# The Ideal Client Prospecting System

How to fill the sales pipeline with your ideal targets

*Prospecting is the lifeblood of sales. This e-Book outlines the path to a system to developing all the leads you need.*

by Ken Cheo, President, Our Sales Coach



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Any good salesperson knows that a solid prospecting plan is essential for keeping the pipeline full with qualified opportunities.

Marketing generates awareness and can develop leads to potential clients. These leads need to be qualified because they are always mixed with tire-kickers and less than ideal prospects. Prospecting is proactively working multiple channels to find qualified opportunities. Without a plan for continuous prospecting activity, you run the risk of a weak pipeline that will take you off track on your monthly goals.

Relying on just marketing activity is a mistake. Other common prospecting mistakes include:

**RELYING TOO MUCH ON PASSIVE CHANNELS** – passive channels require the prospect to find your offering compelling enough to take you up on your call to action. An example of a passive channel would be a mass mailing to a database. Developing leads from this activity requires the mailing to get to the right person, have them read it and then be inspired to contact you regarding the content. Where this may be a good marketing strategy for a business that targets consumers in a local market, it is passive. A proactive example for direct mail would be mailing fewer pieces to specific businesses and following up with each with a phone call.

**RELYING TOO MUCH ON JUST ONE CHANNEL** – This is a common mistake in sales. Salespeople may be spending all of their time cold calling or networking and not employing other strategies. A proper prospecting plan will include at least 5 proactive channels.

**NOT SCHEDULING TIME** – Prospecting is the type of activity that can be deferred. It is easy to let other prescheduled activities or things other people put on your calendar get in the way and push out your planned prospecting. If you are not scheduling daily, weekly and monthly prospecting activities you run the risk that other things are going to get in the way especially when you are bringing in business and getting busy.

**NOT TRACKING THE EFFECTIVENESS OF YOUR PROSPECTING ACTIVITY AND MAKING ADJUSTMENTS** – Getting results from your prospecting activity can motivate you. At the same time lack of results can be deflating and cause you to stop doing the activity or at least reduce the amount. If you are working multiple channels, chances are you are getting some results. Tracking those results are the key to improvement. By tracking your leads and results from your prospecting sources you will know what to do more of and what to change or stop doing.

## Chapter 2

### Know Your Formula



Knowing how much activity you need to do in each channel is as important as knowing which channels you need to work. Every good salesperson knows prospecting is a numbers game. This means there is a formula for your success. You will not close everyone you encounter as a prospect. Some will buy and some just will not be a fit. If you know how many of each you need to meet your goals you can schedule the activity you need knowing that if you execute the plan, you will be successful.

Calculating your formula is a simple process. You don't need to be concerned about the accuracy because you will be tracking the results and using the information to make adjustments so you stay on track. Start with what you do know and focus on doing the activity.

Too many times, salespeople are focused on things they can't control. Whether or not the person you are trying to reach is not at their desk, is in the middle of a crisis, or is in a bad mood for an unrelated reason when you dial their number, has nothing to do with you. Yet it is easy to take these things personally which draws attention to the lack of success.

Smart salespeople know that every no they get brings them one step closer to a win. Doing the activity and tracking the progress are things you can control. Knowing your formula and consistently doing the activity, you can have a winning day every day regardless of the result because if you keep doing it and monitoring the results the results will come.



# Calculating Your Formula

## STEP 1 – YOUR GOAL

Write down your annual top line revenue goal. Calculate your monthly and weekly goals by dividing by 12 and 50.

## STEP 2 – HOW MANY CLOSES?

Write down the value of your average sale (or the 12 month value of each new client). In most cases the value of a sale will vary between customer types. The objective is to establish activity goals for the channels you will work that make sense for you based on your goals and amount of time you have devoted to prospecting activity. An average value can be calculated by dividing your revenue for the last 12 months (or a selected time period) by the number of sales during that time. The number of sales you need to make each year, month and week can be calculated by dividing your goals by the average value. If the resulting number is unachievable, you may need to reconsider the type of business you are going after or increasing your price in order to arrive at workable numbers. In some cases, you may get a few deals each year that are many multiples bigger than the average. We call these double and triples to use a baseball analogy. In this case, decide on how many of these you expect to get, multiply these quantities by the average value of those deals and subtract them from your annual goal before dividing the remainder by the average value for your base hits to calculate the quantity you need.



## STEP 3 – HOW MANY PROPOSALS?

What percentage of your proposals close? We define a proposal as any time you tell a prospect what you can do for them and how much it will cost. Your best guess based on what your recent experience has been will suffice for now but you want to know this. As you improve your sales process and skill you will be making less proposals and closing a higher percentage but for now use your current rate. Divide your closes by this rate and divide by 100 again to get the number of proposals you need to do.

## Calculating Your Formula



### STEP 4 – HOW MANY FIRST MEETINGS?

What percentage of the people you meet with for the first time get a proposal? Calculate the number of first meetings you need to have each month and week by dividing the number from step 3 by this number and again by 100. If the number is not achievable you will need to change one or more of your assumptions until you get numbers you can work with. Remember you are not attempting to calculate how many meetings you are currently having, you are calculating the number of meetings you need to be having.

### STEP 5 – HOW MANY CONTACTS DO YOU NEED?

A contact is any phone conversation, face to face conversation (such as a discussion at a networking event) or a reply to an email or text with someone who could be a prospect or could introduce or refer you to a prospect. How many contacts do you need to get a first meeting? Multiply this number by the result from Step 4.

*The values for steps 5 and 6 will be a guess at first. Just pick numbers that seem reasonable and check the resulting activity requirements to determine if the activity levels make sense. Try 10 for step 5 and 2 for step 6. After you track the data for a couple of months you will have real numbers to work with.*



### STEP 6 – HOW MANY LEADS DO YOU NEED?

How many leads you need before you get a first meeting? Multiply this number by the result from step 4. The number of leads you need to generate each month and week will be calculated.

## Chapter 3

### Prospecting Channels



List the prospecting channels you are committed to working from the following list:

1. Existing Client Referrals
2. Cold Calls
3. Inbound Marketing
4. Networking – Chambers, Associations
5. Alliances/Partners – Referrals, Collaboration
6. Referral Networks
7. Direct Mail – Requires follow-up
8. Seminars/Speaking engagements – Requires follow-up
9. Advertising
10. Telemarketers
11. Trade shows
12. Marketing promotions
13. Publishing articles
14. Public Relations
15. Newsletters – Print, Email
16. Community Involvement
17. Social Networking
18. Search Engine Optimization
19. Email Campaigns
20. Webinars
21. Resellers/Distributors

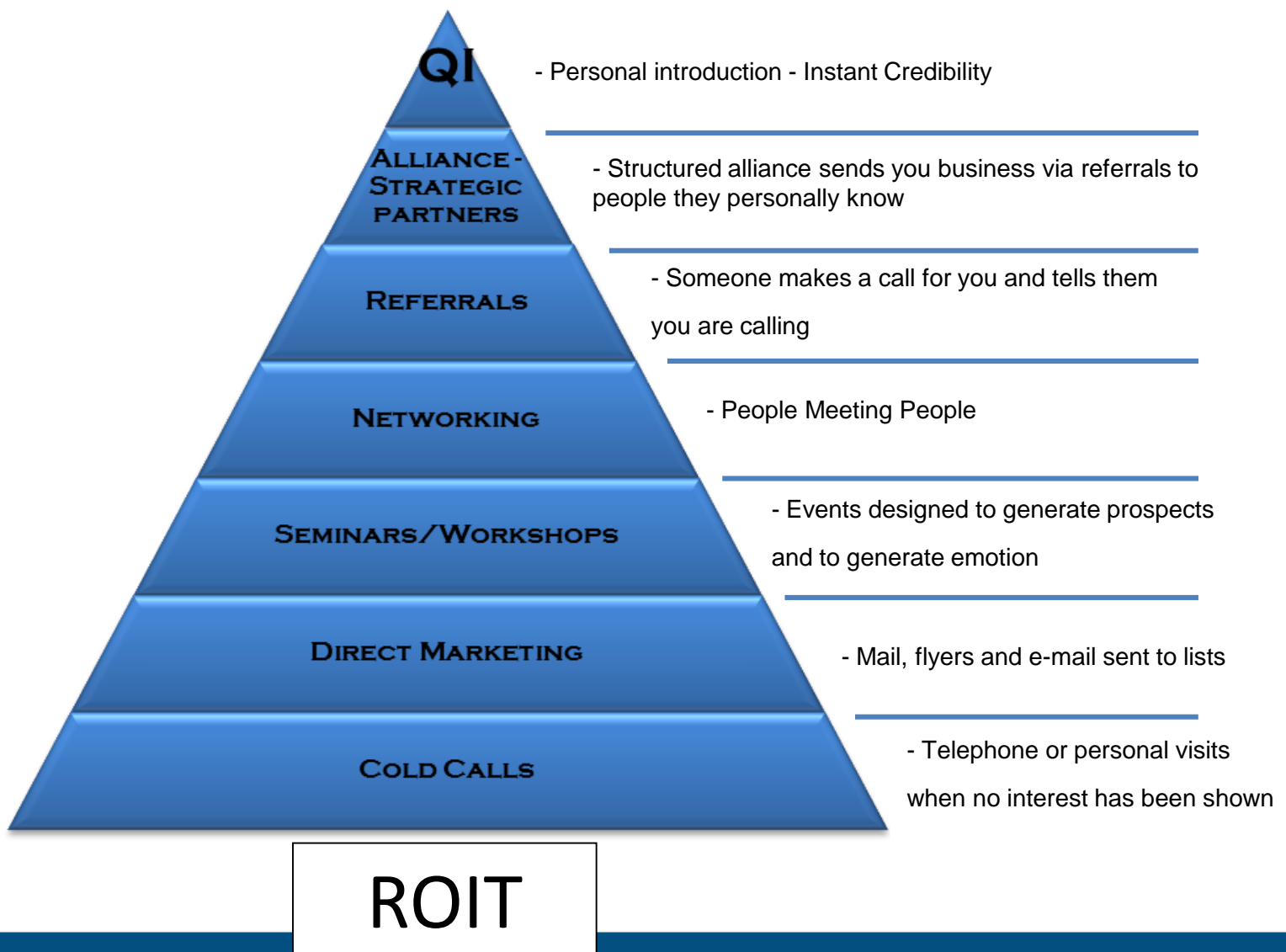
Add any channel you are working that is not on the list. **Make sure at least 5 of the channels you pick are active channels.** Some of the channels you may consider to be passive can become active depending on how you use them. For example: finding prospects through LinkedIn, Facebook or other social media channel and taking the conversation out of the media to the phone or a meeting.

## Chapter 4

### Prospecting Hierarchy



The amount of activity you need to do in each channel will vary depending on the channels you work. The following diagram shows various channels positioned according to the return on invested time ROIT.



## Prospecting Hierarchy: Cold Calling



At the bottom of the pyramid is cold calling. Cold calling is the easiest of the channels shown to implement because all you need is a good list and a telephone, however it yields the lowest ROIT.



Typical numbers for cold calling are 2 or 3 sales for every one hundred contacts with prospects. This assumes you don't have specific information about the prospect that indicates they are in the market for what you have to sell. Keep in mind that just because a prospect may be currently buying what you have to sell, does not mean they are in the market. You must have knowledge that they have decided to consider buying from someone else or at least have a good reason to change for the probability to increase from 2 to 3 percent.

A call is cold whenever the prospect is not expecting your call. All salespeople should have an effective cold calling dialogue even if they do not do a lot of cold calling. Prospecting calls can unexpectedly become cold calls any time the prospect is not expecting your call or knows why you are calling and you want to be prepared for the occurrence. Cold calling is usually not practical in a business consumer market due to do not call lists and public perception of the activity. It will be required for a business to business market unless you develop other channels to produce the quantity of leads you need.

## Prospecting Hierarchy: Direct Mail



Similar to cold calling, direct mail is typically directed to people who are not expecting the contact so it is still low on the ROIT pyramid.



Direct mail can be very effective in a business to business market with a well-timed, high impact message and call to action. Otherwise, you should still plan on a low percentage to take you up on the call to action. In a business to consumer market, expect to send the piece to each contact multiple times (or a series of mailings). Typical numbers indicate 7 or 8 contacts are required before a prospect will take you up on your offer. It is advisable to try multiple mailings to a sample market and measure the results in order to calculate your return on investment.

In a business to business market you should consider mailing to a limited number of contacts at a time and plan to call all of them to follow up. You can inquire about the mailing but should be prepared with your cold call dialogue in case they did not get the mailing, have not read it, don't recall getting it, or don't recall the message.

Any accurate knowledge that your prospect may be in the market will significantly improve the results from a direct mail strategy. For example: you know they were using a competitor who was acquired by another company that does not want to continue to carry the product or service or they are having problems servicing the account.

## Prospecting Hierarchy: Seminars and Workshops



If you can offer advice and education associated with problems you solve for your clients that will attract your prospects, it is a great way to position you as an expert in your industry and market your products and services.



When people attend a seminar or workshop or webinar, you get a chance to find out about them and what challenges they face and can find opportunities to follow up with prospects. In marketing the events, you generate awareness and doing it on a regular basis provides you with an opportunity to keep you top of mind for when a prospect is ready to see if you can help them with a problem.

## Prospecting Hierarchy: Trade Shows

Trade shows may attract your prospects and strategic partners so they can provide opportunities for prospecting, networking and speaking.

Many of these are annual events so you can go as a participant and check out the quality of attendees and exhibitors before deciding to exhibit. They usually scheduled far enough in advance so you can reach out to your clients, prospects and strategic partners to see if they plan to be there and make arrangements to meet at the event. Get a copy of the attendee and exhibitor list and plan a strategy to meet the people you want to meet while you are there and look for ways to get personal introductions.

## Prospecting Hierarchy: Inbound Marketing



Technological advances in marketing have provided a lot more opportunity to turn web marketing strategies from passive (just having a web site and SEO) to proactive.



Through marketing automation and web analytic tools you can monitor what web site visitors are interested in and plan strategies to capture contact information by providing more content in exchange for that information.

This provides you with market ready leads that once you contact them can turn into sales ready leads. There are a lot of software platforms that enable you to automate this activity but it requires monitoring, analysis and follow up for it to develop results.

## Prospecting Hierarchy: Networking



Attending organized meetings or events that are planned by groups such as associations, colleges and universities, or industry trade groups is a good way to meet people who may be prospects or can lead you to prospects.



At these events there is usually time to network where you can have conversations with people and ask questions to determine if a follow up strategy makes sense.

Approaching networking with goals and objectives will make your activity produce better results. Your approach can depend on what you are looking for at the time. Through networking you can meet:

- Prospects
- Strategic Partners
- Referrals for strategic partners

If there are organized meetings designed to provide education, advocacy or networking for your prospects start going to the meetings and see who is there. Once you get an idea of the environment and quality of people there, you can decide if you want to become a member. Getting involved in committees or on the board can be a good way to develop strategic relationships. If the groups or associations you join offer educational sessions you can offer to do seminars, workshops, be on a panel or be a feature presenter at an event.

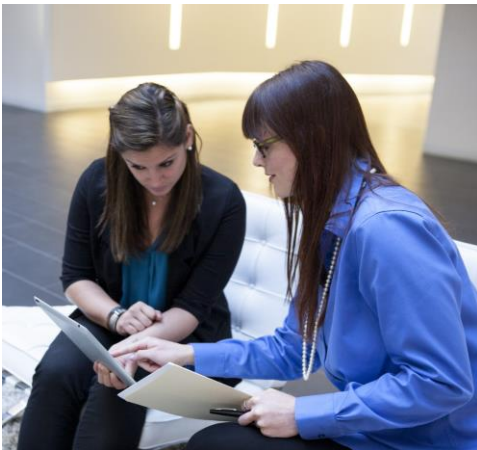
Approaching networking with a strategy to find someone to help is a good way to make sure you are asking good questions with the people you meet. You can't help people if you don't ask about them and what they are looking for and it can enable you to discover prospects, strategic partners and potential referrals.

## Prospecting Hierarchy: Referral Networking



Referral networking groups are designed to set the participants up with strategic referral partners.

If people are strategic for you, meeting with them at least on a monthly basis is a good idea. Visit different groups before deciding which to join.



Remember you are looking for strategic partners who you can develop ongoing referral relationships with. These relationships develop through private one-on-one meetings outside of the structured group meetings.

You may want to have some one-on-one meetings with some of the members before deciding to join. You may also want to consider starting a group of your own with the people who you already consider to be strategic for you.

## Prospecting Hierarchy: Existing Client Referrals



Referrals from existing customers and referrals from alliance partners should be on everyone's list of active prospecting channels.

Referrals are the best way to get additional business. Everyone should strive to provide better than expected products and services.

The only way to verify how to qualify that you are is to ask your customers and the best time to ask for a referral is after they give you a glowing review.



## Prospecting Hierarchy: Alliance Partner Referrals

Alliance partners are typically other people who are calling on the same prospects as you that you can develop an ongoing relationship with to give and get referrals. They also can be people you subcontract with or who sell products or services to you.

## Prospecting Hierarchy: Resellers, Distributors and Channel Partners



Wherever possible, getting other people to sell your products and services for you can be a good strategy to scale your business.

Similar to the alliance partner channel, finding the right company to engage with is key.



Things to consider are:

- Who are their targets and how strategic are they for you
- How effective is their sales organization
- What are they selling now and how do your products and services compliment what they currently have
- What is your marginal cost structure, what kind of compensation program can you offer them and how does that compare with how their salespeople are making their money now

## Prospecting Hierarchy: Personal Introductions



When investigating potential referrals, it is always good to inquire about the nature of the relationship between the referral source and the prospect.

If they have had a strong relationship, you may be able to upgrade the referral to a personal introduction.



A personal introduction is a face to face introduction when the referral source is present when you meet the prospect. When you are working with personal introductions you can expect to be at a 95% ROIT.

**95% ROIT**

If your referral source meets with the prospect regularly or they will see them at a meeting, you may be able to coordinate an introduction at a time when they will be together at a scheduled meeting or event.

## What to Do

Pick the active prospecting channels you plan to work and make sure there are at least five. As you schedule the prospecting activity and monitor the results you may find there are two or three that are most productive for you. You will most likely want to continue to work all of the channels because the less productive channels tend to make the productive ones more effective.

For example: you may find that workshops and seminars are one of your most effective channels compared with networking however your networking activity provides you with the opportunity to promote your workshops and build up your database in order to promote it to more people over time.



At Our Sales Coach we work with business owners and select salespeople and guarantee their sales goals. We will help you develop a sales strategy and execute a sales process that makes sense for your business and provide coaching and training that ensures success.

*Contact us today for more ways we can help you fill your sales pipeline*

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Prospecting Plan: How to Fill the Pipeline