

Sales Tip!



Are You Too Busy To Close Sales?

Having a big pipeline of “prospects” is typically seen as desirable. The more prospects you put into the pipeline, the more will eventually emerge as customers.

At least that’s the theory.

And the theory is partially true. Some of the people you put in the pipeline will become customers. The question is, “How many will be customers, and how long will it take for them to materialize from the other end of the pipe?”

For many salespeople, it’s not unusual (in fact, it’s most likely) to take more than twice as long to close-out the opportunities they don’t win than it does to close the opportunities they do win. If on average, for instance, it takes a salesperson 60 days to develop and close an opportunity, he or she may spend 150 days before “giving up” and abandoning an opportunity that has become stalled.

Taking so long to close-out the non-winning opportunity wouldn’t be so bad if the salesperson invested little time and energy during the extended pursuit. But that’s typically not the case. There is the time invested “following up”—in whatever form that takes; the time spent recording the mandatory follow-up information in the company CRM application; the time taken up reporting on the “progress” with the opportunity during the weekly sales team meetings; and the time and energy invested by other company personnel who participate in the development process—technical, production, and financial people, for instance. There is a lot of time and effort “invested” in an endeavor for which there is no return!

Why do salespeople cling to opportunities that drag on or become stalled? Part of it is culture. In many organizations, a packed pipeline is considered a sign of success—tangible evidence that the salesperson is “working.” The association may not be accurate, but it exists nonetheless.

Some salespeople hang on to an opportunity too long out of fear that they won’t be able to find another opportunity with which to replace it. They possess a scarcity mentality—a notion that there are not enough good opportunities to go around. They believe that in order for one person to win, another must lose. Therefore, if they let go of an opportunity, someone else will capitalize on it and win, and they will have lost. So, they hang on to stalled opportunities just a little longer...and then a little longer after that.

Imagine how much easier (and more productive) it would be if each opportunity was stamped with an expiration date—[Close by 5/5/2015]. If the sale isn’t closed by the expiration date, you would be required to remove the expired opportunity from the pipeline and replace it with another. No “opportunity” would be allowed to loiter in the pipeline forever. While prospective opportunities don’t come stamped with an expiration date, you can assign “sell-by” dates to opportunities based on the average length of your selling cycle. If the sale isn’t closed by that date, you would have to present compelling evidence to your sales manager that the opportunity deserves a continuing place in the pipeline, or else it’s removed. The ultimate goal is for you to invest less time “managing” your pipeline and more time identifying new opportunities.

Perhaps the easiest way to avoid wasting time with questionable opportunities is to be more selective about which ones you allow to enter the pipeline in the first place. A stringent “pre-pipeline” screening may be appropriate.

At a bare minimum, the screening would require that:

You are able to deliver a best-fit product or service that meets the prospect’s needs. The prospect has and is willing to invest the resources required to obtain the product or service. The prospect is in a position to make a decision within a time frame consistent with the average length of your selling cycle. Even the most effective selling strategies will have minimal impact when applied to opportunities that don’t deserve the time and effort. By being more selective about whom you allow in your pipeline and how long you allow them to remain there, you just may close more sales more quickly.

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