Making Sales Prospecting More Productive

Sales professionals often spend as much time looking for prospects as they do engaging with them

Organizational focus on process, skills and knowledge will reduce the time required to unearth and increase the quantity of new opportunities

With a solid foundation in place, prospect development tools can help to drive incremental performance improvement

"An ounce of gold, mister, is worth what it is because of the human labor that went into the findin' and the gettin' of it." Filmed some 100 years after the California Gold Rush, this quote from *The Treasure of the Sierra Madre* drives home the point that prospecting for the precious metal was anything but easy.

Just as the efforts of gold prospectors often failed to pan out, the b-to-b sales professionals of today are finding that once-reliable tactics now consume too much time and produce too few results; thus, sales leaders are rethinking how their reps will fill the top of the sales pipeline. In this brief, we will examine the problems with prospecting, how to apply structured processes to it, and highlight new tools that can help drive incremental results.

THE TROUBLE WITH PROSPECTING

B-to-b marketing functions typically provide sales with between 18 percent and 33 percent of overall new opportunities; reps must prospect within their territories and/or account bases to provide the rest of the pipeline. Our benchmark data indicates that original demand creation consumes 30 percent of a typical rep's time, far more than he or she spends in front of prospects and customers (only 18 percent). Prospecting tends to be one of the least productive and most costly sales activities for a number of reasons, including the following:

- *Absence of process*. The tactics and techniques of prospecting are largely left to sales reps themselves to develop, resulting in wide variations in efficacy. Exacerbating this fact is the lack of specific prospecting skills training, and the fact that sales managers often put a premium on any activity rather than the "right" activities that are based on structured processes and proven best practices.

- *Lack of collaboration*. Successful tactics are usually shared locally within teams or among peers, if at all. Best practices for targeting, campaigning and messaging tend to be hoarded by salespeople who regard these practices as providing an internal competitive advantage.

- *No metrics*. Few sales organizations measure net new opportunities entering the top of the pipeline or the activities that drive original demand creation, instead focusing resources, training and other initiatives on active opportunities.

INCREASING PROSPECTING PRODUCTIVITY

SiriusDecisions defines "productive" demand creation as a state where the amount of time and effort sales reps spend prospecting is reduced while the number of opportunities created increases. As a result, reps are afforded incremental time to focus on both developing qualified opportunities and interfacing with customers. Productive demand creating is built on three pillars, including:

- *Process*. A rep's goal should always be to quickly qualify a prospect and gain commitment for a more detailed discussion or appointment. The process begins with targeting companies in a given territory or division within a large account, and is followed by clarifying the buying center for the product or service, then identifying the particular individuals who have the authority or budget to buy. Specific delivery mechanisms such as the telephone and email should have specific processes to guide their use.

- *Skills*. Prospecting skills required to maximize the value of your processes include focused list management, well-honed cold calling techniques, effective followup on leads and referrals, and strong social media navigation, networking and technology capabilities. While not technically "skills," a healthy dose of self-motivation and maintaining a positive attitude are also important.

- *Knowledge*. Prospecting tactics will only be successful if they include powerful messages that demonstrate understanding of a prospect's specific needs. This requires researching the company and individuals being targeted, maintaining awareness of events or announcements related to a prospect, then assembling a call script, various messages and content/offers to further engage.

Establishing and measuring activity rates ensures that sales professionals are investing enough time to keep the pipeline full, while inspecting process usage and execution ensures that the time is being well spent. Sales management must also enforce that salespeople adhere to any service-level agreements established with marketing for the acceptance of marketing-sourced leads; otherwise, attempts at a closed-loop marketing process will almost surely fail.

Marketing organizations are becoming increasingly sophisticated in measuring demand creation activities and results; sales must now follow suit. In the brief "Harnessing the Power of the Pipeline," we identified the four key attributes and metrics of the pipeline, starting with net new opportunities, or those that have met the established criteria of a sales qualified lead. Best practice organizations are further able to identify the source of the lead and track it throughout its lifecycle, providing information on fallout rates and closed deals, a process that is detailed in the brief "Uncovering the Sources of Opportunity."

PROSPECT DEVELOPMENT TOOLS

A strong foundation built on processes, skills and knowledge can be further enhanced by an emerging set of prospecting-related tools. We have sorted these tools into three categories, including:

- *External data*. Third-party sources that are used to provide lists, contact information and financial data for prospective companies, all of which can be sorted and filtered based on territory definitions. These sources can be used both to prepare for an upcoming interaction, or to generate alerts that could trigger an incremental interaction. SiriusDecisions research indicates that roughly 40 percent of today's b-to-b organizations now use these sources, provided by a number of vendors including Hoover's, InsideView, Jigsaw, OneSource and ZoomInfo.

- *Social networks*. Applications such as LinkedIn and Plaxo provide self-generated background information on individuals and serve as useful tools for maintaining relationship connections. Sales professionals can also see "who knows whom" to suggest potential cross-sell or upsell opportunities within an existing account, or to leverage a relationship to gain access to a new account. Social networking also can serve as a valuable source of intelligence to target and customize specific sales messages. Although many individual salespeople are now using these tools in an ad hoc fashion, very few organizations have developed a systematized, repeatable way to mine them.

- *Prospect engagement*. Email has been widely used by reps to engage with prospects; now, specific prospect engagement applications from vendors such as Genius.com and Brainshark enable salespeople to know if/when prospects have opened and read sent messages. If the email includes a link to a Website, an alert is triggered to let the rep know that the prospect has gone to the site as well as what has been viewed, a valuable source of intelligence for preparing more focused followup. Less than 5 percent of organizations are using these applications today; however, a SiriusDecisions survey indicated another 33 percent are considering them as an add-on to their sales technology portfolio. Finally, a company such as ConnectAndSell offers third-party cold call dialing capability to reach prospects, seamlessly switching to the sales rep once a connection is made. One obvious benefit: Salespeople spend more of their valuable time speaking with prospects rather than leaving voicemail messages.

THE SIRIUS DECISION

While many consider prospecting to be one of the most unglamorous and unproductive aspects of professional selling, it's absolutely critical in order to fill the top of the sales pipeline that marketing cannot. As such, it must be driven by systematic process and measurement, with toolsets plugged in as needed to fill known gaps. One of the most dangerous things that a sales leader can take for granted is that his or her reps know enough and have enough capability to prospect on their own; not only will that leader be wasting time, but will also be leaving significant amounts of potential revenue on the table.