

# Ten (realistic) steps to better sales

Improving revenue performance can be as simple as turning your sales pitch into a sales learning curve. By **Richard McLean**.

**A** 'learning sales cycle' is a must for any company wishing to improve its understanding of customer behaviour. It is also a must for any company that does not have the backing of a large amount of expensive market research when entering a new market.

Humans are creatures of habit. Our lives are governed and structured according to many sets of cultural, behavioural and natural laws. There are an enormous number of these rules and they vary from culture to culture.

In business, when we make a purchasing decision, we are subject to all sorts of influences ranging from company rules to our emotions.

Despite the wide range of influences however, our habits will shape the decisions we make. Knowing this then, why is it that so many of us do not understand more about the reasons our customers buy from us and more importantly – why they do not buy from us?

Too many young companies or new business divisions are passing up the best opportunity to build a knowledge base of customer behaviour – the sales process. In an older, more established business, this knowledge is more or less endemic, but has been won over a long period of time through years of operation in a particular market.

For the younger company, the fast track is there, but often missed because of the singular focus on revenue generation. This means the

sales efforts can be very hit and miss, with little understanding of the real reasons for failure.

Another side effect is that the company may have a lack of clarity on what it is offering and to whom. It is a significant cost for any company to have people representing its products and services to customers.

You can increase the return from your valuable resource by establishing a 'learning sales cycle'.

Formally structuring your sales process to gather data and collate information about buying patterns will not only improve the success of your sales efforts, it will provide valuable information for marketing and allow much more accurate revenue forecasting for your business.

Putting this in place requires a number of simple steps:

- 1** Make the commitment and seek the buy-in for a learning sales cycle: This is



simple. Your team needs to understand the reasons for deciding to implement the learning sales cycle. You may already have components operating informally. Make it clear it is a team effort and that the results will be invaluable.

**2** Ensure a relevant component of incentive remuneration for the sales team is directed towards participation: Also creatures of habit, sales and marketing people are usually motivated by financial rewards (among others). By making your learning sales cycle eligible for incentive reward, it demonstrates and underscores the importance to the business.

**3** Find the pain: You need to have a very clear understanding of the customer problems your product or service is solving. This is basic stuff, but too often we make assumptions, or we get out of date as customer needs change. Importantly, you need to ask questions that allow you to find the specific problems and issues that your customer is experiencing. Once you get to the real pain, you begin to identify a need that ideally you can meet with your product or service.

**4** Determine the different states of customer awareness. Aware, seeking, unaware: Do they want to know? Find out what your customer knows about your field. For example, if you are providing fire safety services, what does your customer know about governing legislation, insurance best practice, safety and other issues that affect them? Equally importantly, if they are aware they do not have all the information, do they want to know? Often customers are in 'information collection' mode. They just want you to educate them, so they can "make a decision".

**5** Find the compelling event or events: In sales, this could be described as the point where the value balance has shifted so that the customer perceives that value received will meet or exceed price paid. Or put more simply, the point where they decide to purchase. The key here is to understand clearly why they do so. Is it because they have calculated

valuable cost savings from the purchase of your product or service? Perhaps they need your product or service to remain competitive. Regardless of the reasons, the main thing is that you find them and understand them. If your sales performance is below par then check that the compelling event exists for your customers. If not, they may be taking up your time while you educate them in your field of expertise, topping up their own knowledge and then moving on without a compelling event to initiate a purchase from you.

**6** Where are the decision points: Different sized companies will have different decision-making processes. Some have a long chain of command and processes governing expenditure decisions. Make sure you have a clear map of the path a purchasing decision needs to take through your client company. Get this clear early in your engagement and ensure you have a plan to communicate with the final decision-maker or group wherever possible.

**7** Build a framework for mapping the cycle and describing the various stages for the customer: Once you have studied several customer engagements, you will begin to see patterns emerging. Each of your customers is different, but their behaviour is governed by similar laws and rules. Now you need to build a framework that will allow you to make judgements about where any given customer is in your sales cycle. Use a template that suits your business. One method is to assign percentage values to the cycle. For example 10 percent means you have spoken to the customer and they have agreed to receive further information about your product or service; 90 percent means the customer has made a verbal order and you're awaiting written confirmation. It is less important how you describe each stage in the cycle. It is critical that everyone in the sales process uses it and uses exactly the same descriptors for each stage. Never allow 'intuitive guesses' about where the customer is. Once you have this working well, accurate revenue forecasting is an easy process.

**8** Qualify your customers: You will quickly find that you can easily qualify a customer and place them at a point in your sales cycle. You and your team will be able to compare notes and discuss tactics for moving customers through the sales cycle, knowing that you are using the same frame of reference for each, despite the idiosyncrasies of the specific deals. Using this method, you will become better at the initial qualification of your customers as well, thus being able to better determine which ones to allocate the most resource to.

**9** Revise your framework: Over time, the patterns will become clearer and will help shape a number of your business decisions. Remember that the patterns will change, so revise them regularly and never assume your customers' needs and behaviour patterns are the same as they were previously.

**10** Never miss an opportunity to ask a customer about their experience in the cycle: If you adopt this practice, you will develop a 'learning sales cycle'. You will develop a valuable base of knowledge, which you should summarise as part of your sales and marketing plan for retention and sharing. Make sure your team takes every opportunity to ask questions and increase the knowledge base. Do not be afraid to ask customers about their experience through the sales cycle with you, regardless of whether they purchase or not. You need to understand their thought-and decision-making processes. This is easier when they buy than when they say no. The answer to this is simple, you must ask them to help you build and grow your business. Tell them you need to ask a few questions about how they reached their decisions and promise them you are not going to attempt to 'reopen' the sale and will respect their decision. You will find out all sorts of things about you and your competitors that you can add to your knowledge base. If it has been a long and complex sales cycle, call it a review and ask for a short meeting and prepare your questions. ■

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