

Prospecting for the Major Sale





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Introduction

Ask any salesperson what part of selling they most dislike and they will almost universally answer with one word: *prospecting*. No matter how capably trained as consultative, customer-focused sellers, no matter how expertly they have mastered their products and services, no matter how experienced or how naïve they may be, nearly every salesperson hates prospecting.

This distaste reflects (or perhaps causes) one of the most troubling and intractable problems in business: despite spending time, effort and money cajoling, encouraging, supporting and demanding that salespeople maintain a pipeline of “suspects-to-prospects,” these efforts produce low returns and poor morale, particularly in a difficult economy.

It is the position of this paper that effective prospecting is not that different from effective selling. Specifically, good prospecting requires a customer-centric, consultative approach. When performed in a manner substantiated by Huthwaite’s research into effective prospecting, these efforts can be highly productive and invigorating to a salesperson, credentialing to the selling organization, and can establish a powerful link between marketing and sales. Further, a sales professional can acquire effective prospecting skills quickly and easily. Improvements in prospecting often lead to quick and immediate returns on investment, perhaps more so than progress in any other part of the sales effort.

Let’s Agree on What Prospecting Is

pros·pec·ting \ 'prä-spek-ting\ : exploring an area esp. for mineral deposits; inspecting (a region) for mineral deposits; broadly: EXPLORING.

To most salespeople, prospecting is the process of culling from the marketplace an opportunity where some dialogue about a business transaction or relationship has begun. In other words, prospecting involves finding an opportunity that can legitimately be included in the early stage of the sales pipeline.

Huthwaite's research has established that a "suspect" must meet one of three conditions before it honestly moves into the pipeline of new business opportunities:

- The suspect has demonstrated urgency about a situation that the seller can address.
- The suspect has expressed dissatisfaction or defined a need that they want to address.
- The suspect has entertained in some demonstrable way the possibility that the seller may have something of interest that addresses a need or dissatisfaction.

Every student of customer-centric consultative selling knows that establishing needs and urgency are the two components from which all complex sales must develop. Connecting the seller's offerings to this urgent need is the path to concluding a sale. Therefore, effective prospecting is an effort that establishes for the potential customer an interest in exploring how the seller may improve the buyer's business performance. The point is that effective prospecting focuses on customer problems, issues or needs, not on the seller's résumé, organizational characteristics, etc.

Why Sellers Dislike Prospecting

That there is a near-universal distaste for prospecting is news to no one. What's interesting is to objectively evaluate why so many sellers find it so objectionable. The answer lies in two areas, where clues to great prospecting are found.

First, there is the issue of control. Nowhere in the selling process does an average seller experience less sense of control than in their prospecting efforts. Think about it. Most prospectors (even those who have mastered consultative selling skills) rely on facts about themselves, characteristics of the company they represent and/or their own scintillating personalities to try to generate interest. Sellers are stymied as to how they can credential themselves in a one-way dialogue. Good sellers know that good selling means being customer-centric. But how can a sixty-second prospecting message be customer-centric?

Second, every prospector feels they are being invasive when they cold-call or send an unsolicited message. Everyone who has been on the receiving end of such efforts feels trepidation about being a messenger with that telltale tone of voice that says, "I'm going to make you uncomfortable and probably force you to say no, even though I need your business." Try as they might, prospecting salespeople seem to inevitably adopt that immediately recognizable tone of voice that we all find too familiar, too false and too obvious. Worst of all, sellers know they are doing it but can't seem to stop it. Knowing this makes them feel uncomfortable and unprofessional. Listen to a conversation between a buyer and seller at even the early stages of a sales cycle and that tone is gone. Listen to most prospectors and that tone is unmistakable. Even the most confident sellers who think nothing of having a colleague along on a sales call go to great lengths to be alone when cold-calling.

Why does this happen? Huthwaite's experience reveals an interesting clue. Prospectors feel embarrassed about intruding into the world of potential buyers when they know they have so little of interest to say.

In other words, even good sellers dislike prospecting because they don't know how to identify a target-rich environment of prospects who are likely to be receptive and/or interested, and they don't know how to create a provocative, credentialing message.

How Does a Prospector Focus on Needs? Answer: Start with Value

Huthwaite recently completed a multi-year study of what buyers are willing to pay for. Specifically, Huthwaite examined a broad range of situations where two conditions were present:

- The buyer perceived little difference between alternative offerings.
- Despite seeing little difference, the buyer paid more than the lowest-cost alternative.

It was Huthwaite's hypothesis that decoding how sellers succeeded in selling higher-priced offerings to buyers who saw little difference other than price between various offerings would establish a clear definition of value selling. The conclusions were startling.

In essence, customers are willing, often even eager, to pay a premium for the seller who can provide three kinds of assistance during the selling process. These three points make up what we call the Value-Creating Model.

Obviously, these three things cannot be thoroughly delivered in a prospecting venue. However, good prospectors have discovered that these value-creating efforts make the difference between great prospecting and the all-too-familiar hard work/low payoff cold-calling effort.

Value-Creating Model

- **Uncover an unrecognized problem. Help customers understand their problems, issues and opportunities in new and/or different ways.**
- **Offer an unanticipated solution. Help customers arrive at better solutions than they would have arrived at on their own.**
- **Act as a broker of capabilities. Become a broker of services and act as a customer advocate within your own organization.**

What Does Great Prospecting Look Like? The RIMS Model

Great prospectors have figured out two important aspects that make prospecting both successful and credentialing: find a target-rich prospecting environment, and then develop a message rooted in one of the three value-creating methods described above. Huthwaite summarizes this process in a four-stage prospecting model called RIMS.

Research: Success rates for prospecting depend primarily on knowing where to look. Too often for salespeople looking to prospect, research means little more than as-

RIMS

- Research
- Implications
- Message Building
- Sales Cycle

sembling a list of companies and/or individuals who seem to fit the right demographic. Great prospectors know that this is only the beginning.

Assembling a target-rich prospecting environment means having some starting hypothesis as to why a given prospect may be interested in what the seller has to offer. Developing such a hypothesis begins with an analysis of the problems or issues that the seller has recently solved for current clients. Why have current customers chosen to

do business with the seller? The focus is not on why they chose the seller over the competition, but rather, why the buyer sought to buy products and services from anyone. In short, what buyer problems or needs has the seller encountered in the marketplace?

With this insight, the seller can then look for companies that may be experiencing similar problems. Using marketing data, public information, etc., the seller should look for needs or problems that are both current and urgent from the buyer's perspective.

- Current issues are those that seem most prevalent in the marketplace.
- Urgent issues are those that have the immediate attention of business leaders.

The mistake so many sellers make is to look for customers who are “in the market” for the products or services they represent. Though this will have some success, it is a tough way to make a living. Avoiding this needle-in-a-haystack approach requires looking for customer problems or needs that the seller can address. Remember, products and services look more and more like commodities to the buyer community every day. If value creation requires sellers to uncover unforeseen problems, to craft unanticipated solutions or to broker the full resources of their own organization, none of these things centers on products or services per se. The centerpiece of such efforts is the outcome such products and services will produce for the buyer.

The retail sector contains a good example of this, where many Wall Street analysts have begun evaluating hardware retailers based on “Days of Sales in Inventory.” This is a recent switch from the traditional “Same Store Sales” figures that had been the primary metric for evaluating financial performance. Of course, it is far easier for the Wall Street analyst to make this change than it is for retail executives to reset inventory controls and reorder protocols. A good prospector who represents a hardware manufacturer might hypothesize that inventory management has new urgency and currency in the retailer world. If the seller could potentially help in this regard, a prospector might look at retailers who appear to have excess inventory or who Wall Street is punishing even if “Same Store Sales” have been good.

The first step in effective prospecting, therefore, is to identify prospective buyers who will have an urgent and current business need or problem. Through research, a seller can assemble a target-rich environment of companies who are likely to be in such a receptive mode.

Implications: Unless the seller is prospecting the CEO or some other very senior business leader, the issue identified by the seller during the research phase will be recognizable to the prospective buyer as a set of problems.

Consider, for example, a situation where a manufacturer is experiencing margin pressure from foreign competition. Foreign manufacturers with cheaper labor costs are pricing their products far below that of the domestic producer. If the buyers of these products perceive little or no difference between different offerings, then the domestic producer will suffer significant margin and price pressure. But only the highest level of the organization will experience the issue from this perspective. Sales managers in such an organization may experience this issue in the form of salespeople complaining about a need for new and deeper discounting. The production manager may feel this issue as pressure for greater cost-cutting or for the use of cheaper raw materials. The marketing manager may feel this issue as pressure for new marketing campaigns with a “buy American” theme. The prospector, then, must think through how the issue will manifest itself as a set of problems felt by the people in the various buyer roles.

Once the seller has derived a set of problems from the issues identified in their original research, the next step is to develop a set of implications arising from these problems. That is, what kinds of consequences might these problems have on the prospect’s business or operation if the problems go unaddressed? It is vital that the prospector complete this part of the process before beginning their first effort at contacting new suspects. Keep in mind the three value-creating efforts. Thinking through the implications of potential problems is where a seller can refine the material for value-creating messages. Let’s return to our example.

For the production manager who experiences pressure to cut production costs, we might hypothesize that these pressures could force layoffs and extended hours for the remaining workers. This might in turn lead to a decrease in plant safety and greater accident rates. Greater accident rates would surely result in lower morale, higher workers’ compensation insurance rates and more frequent OSHA inspections and inquiries.

Listing out the implications of the unresolved problem, then filtering or contextualizing them for the target prospect audience, is the raw material for developing great prospecting messages.

Message Building: At this point, the effective prospector begins to craft the kinds of messages that will garner a great response rate from the target-rich pool. It’s vital to have something insightful to say about the suspect’s business. A good message demonstrates that the prospector may have an interesting perspective on something about the suspect’s business.

Continuing with the example of our production manager, we could create a message that uses one or more of the implications resulting from the issue/problem thought process. For instance, the prospector could leave a voice mail message for the production manager that mentions, “We have seen many companies that are feeling pressure from foreign competition and that are experiencing unacceptable increases in worker accidents and turnover rates. We believe there is a direct relationship

between how a manufacturer chooses to meet the foreign challenge and their safety and turnover records. I would be eager to discuss how this might impact your manufacturing operation.”

A good prospecting message is:

- **Provocative**
- **Short**
- **Credentialing**
- **Value-Creating**

The main point in this example is to see the dramatic difference between what a customer-focused message sounds like as compared to the typical seller-résumé message most prospectors employ.

With practice, and by using the seller’s own experience in the marketplace, the seller can formulate these kinds of buyer-focused, problem/implication-derived messages. Our research has shown that every great prospector uses these ideas in some form to distinguish themselves from the torrent of uninteresting and uninformative solicitations received by their prospects.

Before leaving the subject of messaging, however, four hints about prospecting messages can serve as guidelines for any seller looking to improve their prospecting success.

- **Provocative vs. Informative:** Have you ever noticed how movie trailers are designed? What you see in movie previews is just enough to tantalize. That’s why awful movies often have interesting trailers. A prospector needs to keep this in mind when constructing a written or spoken message: the idea is to provoke interest, not to lecture or inform. Remember that the purpose of the prospecting phase is to move the suspect into a legitimate sales cycle. Don’t try to have the prospecting message do the selling. Successful prospecting means only that a legitimate dialogue with a potential sales opportunity has begun.
- **Short:** Whether the prospecting medium is voice or the written word, it is imperative that the message be short, to the point, and digestible by the suspect in a matter of moments. If the message is too dense or takes too long to read or understand, even the cleverest message will go unheard.
- **Credentialing:** Perhaps no other issue about prospecting makes a clearer separation between efforts that feel rewarding to the seller and those that are withering than the degree to which the seller feels a sense of professionalism about what they are saying.
- **Value-Creating:** Remember the three value-creating selling activities mentioned above. It is vitally important that a prospector select one of these three areas (i.e., the unrecognized problem, the unanticipated solution or the brokering of seller resources) as the theme of a prospecting message. If the prospector has thoroughly developed a set of implications from the problems most current and urgent to a particular industry vertical, this should be a relatively easy issue.

Whatever kind of message is created, it should be rehearsed, honed and practiced before it’s tried. Isn’t it interesting that most sellers will be quite particular about

how they sound on their own voice mail and will often record and re-record until their message is just right? Yet, these same perfectionists spend little time, if any, rehearsing the messages they hope will interest prospective customers. In the end, customers will respond more frequently to a prospecting message that sounds as though the seller may help them be successful, than to the message of the seller trying to sound successful.

- **Sales Cycle:** Of course, all of this effort is designed to get the prospect into a legitimate opportunity within the seller's sales pipeline. Two things are particularly important in this regard. One, how does the seller know that the opportunity is legitimate? And two, where is the potential buyer with regard to making a purchasing decision?
- **Advances.** Huthwaite's research into complex sales revealed a signal that prospects give when a potential sale has actually moved forward. We have named these signals *advances*. At its simplest, a prospective sale advances when the potential buyer commits to some kind of activity, such as a meeting, a scheduled call, the agreement to provide introductions or access to other important people within their organization, etc. Too often, sellers mistake receptivity for advancement of a sale. The classic end to a meeting is where the buyer says something like, "Thanks for coming in. It was very interesting. Next time you're in the area, let's see if we can get together." That may sound like an advance, but the buyer has failed to commit to any action. In Huthwaite parlance, this is a *continuation*, and it's a sure sign of a failed call.

Therefore, to the prospector, two advances are essential to moving a suspect up to the status of legitimate prospect. First, the suspect must agree to some action on their part. Second, the seller must plan their first call with the next advance in mind. Sellers who follow this strategy find a hit rate many times that of the traditional seller-focused prospector.

- **The Buying Cycle™.** The last issue that a great prospector must take into account relates to ascertaining where in the process of making a purchasing decision the suspect may be. In a 12-year study of buyer behavior, Huthwaite discovered that buyers follow very predictable behaviors when making buying decisions for a purchase they regard as important. Although a full discussion of this model and its meaning for effective sellers

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is well beyond the scope of this paper (see *Major Account Sales Strategy* by Neil Rackham, McGraw Hill, 1989), several quick points help illuminate what makes for successful prospecting.

To start, it is important to remember that buyers pass through very different stages as they move to a purchasing decision. For example, the buyer who is seeking to choose the best from an array of competitive offerings is in a

very different phase from the buyer who perceives no real need for a purchase, i.e., for whom the status quo is fine. In an ideal world, the prospector would know where any given suspect was in this purchasing cycle in order to tune the message accordingly.

In truth, the prospector need not know this detail when looking for suspects to turn into prospects. The reason lies in what is realistically possible to accomplish with prospecting messages. It is very difficult for any seller, no matter how knowledgeable or skilled, or how diligently they perform their research, to create a message so compelling that the otherwise satisfied, complacent recipient is going to have an epiphany-like moment. Good prospecting means crafting messages that are tuned to the suspect who either recognizes a possible need for change, is currently evaluating alternative suppliers, or is about to make a purchasing decision. Suspects who perceive no need to change or have just made a purchase are those suspects where the prospector is either too early or too late. Knowing this helps to refine messages even further.

When buyers are in the phase of a decision where they know they need to change (i.e., they know they have a need) but they have not yet begun to look at alternative suppliers, they value a seller who can help them better define or clarify their need and/or help them define the outcome of a successful purchase. Buyers in the phase where they are looking at various suppliers value a seller who can help them define or clarify their decision criteria and see clear differences between the alternative suppliers. Buyers who have made a tentative choice of a particular supplier or have narrowed their choice to two or three alternative suppliers value a seller who can help resolve uncertainties or concerns about going through with the decision. A good prospector, therefore, needs to keep these phases and definitions of buyer value in mind when constructing a prospecting message and when transitioning into a sales cycle.

Conclusion

Prospecting can be an exercise that credentials and invigorates a sales force and where a bit of remediation can often produce spectacular results. Both separating the potential market into verticals and researching the current or urgent issues of concern in that market help the prospector define the unrecognized problems, the unanticipated solutions and the seller's capabilities that can help suspects see more clearly. Constructing messages that will resonate with each suspect, based on their problems and the implications of those problems, has proven to be a much more successful approach than the typical "all-about-me-and-my-company" message most prospectors use. Like all other phases of selling, connecting what customers care about to the seller's capabilities in order to generate positive change is paramount.

Huthwaite is the world's leading sales performance improvement organization. Founded on scientifically validated behavioral research, our methodologies, which include the internationally renowned **SPIN® Selling**, guarantee sales success. Huthwaite assesses your organization's needs and develops customized sales performance improvement and coaching programs that drive real business results.





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