

## Do you need more business? Part 3 of 5 – Prospecting for Customers and Opportunities

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Prospecting for Customers and Opportunities is the second of the four major elements of the complete go-to-market model.

Last week we looked at ways to help you define what you sell (your proposition) and to whom you should be selling (your target market). You now have a view of those parts of the market (sectors and segments) where you will concentrate your selling efforts. It is now time to move the focus from the market as a whole to concentrate on individual suspects. This is often seen as the interface between marketing activities and selling activities and marks the point when you start to engage with specific companies and within them named individuals.

The suspects will ultimately become your customers who in turn will provide opportunities for you to sell your proposition. The process of turning suspects into customers, via the interim stage of prospect, is one of the two main roles of the prospecting process. The other role of prospecting is to begin the business development cycle of identifying or creating and then pursuing opportunities for specific pieces of work.

You will have already noted in earlier articles that we distinguish between “customers” and “opportunities”. These topics are the main subject of the remaining two articles in this series, but a brief discussion here will serve to create a context for the topic of prospecting.

It is a common mistake to assume that because someone has bought something from you, they are now a customer. However, it may only prove that it suited them to use you at that time, it does not mean that they will use you again or that they see you in any particular light that distinguishes or differentiates you from the competition. The whole point of the prospecting process is to provide a controlled process which leaves you in no doubt that you have customers who want to buy from you. The certainty that this provides enables you to run your business with the benefit of leading indicators about future revenue, margin and profit.

### Definitions

Here are a few definitions of the main terms used in this article.

- **Suspects** are those organisations that appear, based on an external view, to have the characteristics to become customers for your company and your proposition.
- **Prospects** are those suspects who, following some specific investigation, continue to display the characteristics of potential customers.
- **Customer** is an organisation who explicitly states that they accept you as a supplier, they want or need what you do and they are willing to buy it from you.
- **Prospecting** is the processes and activities required to move an organisation through the stages of suspect, prospect, customer and eventually buyer or user.
- **Qualification and Quantification** are the techniques used to drive the process of respectively developing customers and then creating, identifying and pursuing opportunities with those customers. Both techniques are based on a combination of research and well planned extended structured questions. Taken together these two techniques provide a complete framework and structure governing the progress of the complete selling cycle.

## Routes to Market

Viewed from a high level, there are just two routes to market; direct and indirect. Simplistically, in the direct model, you do the selling work engaging directly with your market, suspects, prospects and customers. In the case of indirect, a third party is responsible for the engagement process. Those third parties will typically be called; channels, agents, dealers, re-sellers or retailers.

**Indirect.** Perhaps the most common example of indirect is the retailer where we can buy well-known branded goods without ever engaging with the manufacturer; the retailers are the manufacturers' channel or route to market. The manufacturer is responsible for some of the promotional activities e.g. TV advertising, but the retailer does most of the work of making the products readily available to the potential buyer. The retailer also becomes the main interface between buyer and manufacturer handling or at least front-ending; delivery, warranty, service and complaints.

Away from the retail sector, channels used in the business to business world involve, for example, agents, dealers, re-sellers and "partners". At one end of the spectrum, the channel may be responsible for all selling and promotional activities while at the other end of the spectrum they may be responsible only for distribution. Regardless of where you want the relationship to reside on this spectrum, you and your channel partners must put in the work at the beginning of the relationship to define the mutual expectations for that relationship.

I know of many cases of disappointment where the channel does not meet the expectations of the supplier and this is usually due to a mismatch in expectations. One further thought on this leads me to urge you to ask yourself, "*Why am I using the indirect route to market?*" For some propositions, it is absolutely the right way to go. However, I find too often that the indirect route is used because the direct route seems too hard or it has been tried and is perceived to have failed. So, another question to ask yourself; "*Is the indirect route the correct choice for me or, am I simply abdicating the responsibility because the direct route is too hard?*"

**Direct.** The classic application of the direct model would involve you in employing your own sales team. The sales team will have two main roles; selling new business and growing and expanding existing customers for repeat business. These activities are typically known as hunting and farming. The people doing the hunting and farming will also be responsible for prospecting for new customers and new opportunities or this may be done by a dedicated team, which can be employed in-house or bought as a service from a specialist supplier.

The selling activity may be done by a field sales team or may be done by a telephone based sales team. The choice depends on a number of factors, the main one being the value of your product and the typical order value. If what you sell costs a few pounds and the typical order is for a few items, then you probably cannot justify a field sales team. If you are selling high value products and services where an order can be in tens or hundreds of thousands of pounds, then you will need a field sales team as the selling process will involve you in presenting your solution and more importantly convincing the prospect as to the value of buying from you.

The sales team may be made up of qualified professional sales people or the selling activities may be a part of the responsibilities of the consultants, engineers, accountants, lawyers, etc, who will be engaged with the customer for the purpose of delivering your services once a sale has been made.

If your selling model does involve delivery staff you will probably need to invest in some appropriate training as it is common that such people fear selling and as a result do it badly and typically in an ad hoc manner. It is also the case that delivery staff often find it difficult to combine selling activities with delivery activities once they are on the customer's site. By providing "Land and Expand" training you can help your delivery staff to understand how to combine the two roles while giving them techniques to do the selling piece well.

## Prospecting Mechanisms.

If you have chosen the indirect model, then most of your prospecting may be done for you by your channel partners. In establishing your network of channel partners, you will have gone through a process of prospecting. In addition, depending on the nature of your agreements with your channel partners you may still be a part of the prospecting activity for your company. As an aside, it is important that you do not lose sight of the fact that your channel partners will be as important to you as some of your major customers and as such will require pro-active effort from you to manage the relationship with them.

The primary mechanism for direct prospecting is telemarketing. This may be supported by other marketing activities such as (e-)mail-shots, opinion pieces, attending or presenting at trade exhibitions, active involvement in trade associations, etc. However, the main activity will involve you taking the list of suspects that came out of your Market Focus project, researching those companies through the web and other means and then making outbound telephone calls to those companies.

The purpose of the research is to focus into those suspects who more closely match your desired characteristics, and then to ensure you understand the problems and issues being suffered by your suspect so that your telephone call can focus on, *“we have a solution to ....”* rather than, *“these are the features of what we do, do you want to buy some?”*

The calling work can be done by a specialist supplier, by your own dedicated team or as a part of the selling role of your new business sales team. Whichever means you use, you need to ensure that the process generates sufficient well-qualified prospects to produce the number of new customers required to achieve your business plan. Taking the calling activity further will enable you to take those prospects, develop them into customers, and then to identify specific opportunities for your proposition.

The Market Focus work will have helped you to formulate messages about your proposition, which describe the benefits to be enjoyed by purchasing from you and as we discussed last week, the value to be gained from buying from you. The foundation for later stages of the selling cycle will be established during the prospecting process. By establishing a solid foundation, you will dramatically increase your chance of success and also identify at an early stage where you might be wasting your time.

To structure the selling messages, you can utilise a tool we call FBI, Feature, Benefit, Incentive. Take your features, present them in a format which delivers a benefit to the prospect and provides the incentive to want to do more with you. This is sometimes called USP, Unique Selling Proposition. Using FBI/USP selling statements to create an impression of the value to be gained by buying from you will help to ensure the suspect or prospect remembers you and remembers you for the right reasons.

Obviously, the FBI and USP statements must be appropriate to the person you will speak to. The messages for a head of finance will be different to those used for HR, or production. The basic rule remains the same – do the research and build the messages around their specific issues and problems always seeking to demonstrate value to them.

One other mechanism not to be ignored is networking. Well planned, managed and executed networking can be a valuable source of prospecting opportunities. It may be that the networking encounter is mainly about getting enough information to empower the later telephone call, but nonetheless, an important tool for the early stages of the selling process.

## Summary

You should now be ready to go and prospect for new customers and additional opportunities. Next week we will look at the extension of this part of the process, which develops your prospects into potential new customers.