

Using Prospecting to Expand Your Customer Base¹

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Introduction

For many companies the preferred choice for promoting products and services is direct selling. This document is intended for salespeople who must seek out potential customers by prospecting, as opposed to waiting for potential customers to enter a retail establishment. Obtaining a customer base from which sales can be achieved is one of the most challenging aspects of selling, especially for a new salesperson. Prospecting involves contacting potential customers for the purpose of creating new sales for the salesperson. Prospecting is as old as the profession of selling and has always been an important method of obtaining new customers. However, while prospecting is a good way to increase sales, it is also one of the most difficult. This paper focuses on three keys to successful prospecting:

1. Overcoming prospecting barriers
2. Effective use of prospecting
3. Creating interest

Overcoming Prospecting Barriers

Two of the major barriers to prospecting are lack of motivation and fear of rejection—both are detrimental to sales. The lack of motivation and the fear of rejection must be overcome to achieve long-term sales success.



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Prospecting has been used for many years in many markets and has proven to be a successful method of increasing sales. Motivation is a powerful tool and requires the right attitude. The right attitude in sales depends on being strongly ego-driven to be successful. Sales professionals with a strong ego-drive are generally highly motivated to prospect; they understand that effective prospecting leads to increased selling opportunities.

Realizing that prospecting is largely a numbers game is a huge step in overcoming the fear of rejection. In the sales field, the success rate achieved by the top sales performers is 20%, which means that eight out of ten prospects usually fail. Sales professionals with strong ego-drives are more

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likely to overcome the fear of rejection than are sales professionals with low ego-drives.

Using Prospecting Effectively

Salespeople know time is an invaluable asset and should be used wisely. Being organized, setting realistic goals, and utilizing qualifying criteria are examples of making effective use of prospecting time.

Organization can save countless hours of work in prospecting. It is important to keep detailed records of contacted customers to save time and avoid the embarrassment of repeated customer calls. One way to be better organized is to use computerized systems such as Excel and Outlook to record and sort company information, contacts, initial calls, and follow-up calls.

Set realistic goals. Following these goals throughout the entire process will keep you from wasting valuable time.

Too much valuable selling time is wasted on unqualified prospects (those who will never buy). You can increase your sales ratio (sales meetings/sales orders taken) and bring in more total sales by eliminating or at least minimizing the time spent on unqualified prospects. One way to do this is by developing qualification criteria. This begins by using historical analysis to create a customer information sheet that includes details on each customer:

- Method, date, and name of initial contact
- Customer's current and previous relationships with your company
- Contact's first reason for inquiry (e.g., poor service from current supplier)
- All contact details throughout the contact experience

The time spent developing these criteria will reward you tenfold. Creating a customer information sheet on each and every customer should allow you to develop criteria to be used for future prospects; however, it should be used only as a guideline, not as a crutch.

Creating Interest

Building rapport and showing interest in the needs of your prospects are important to avoid the automatic cutoff response (ACR), which occurs when the prospect breaks off the sales presentation. There are several objectives to be accomplished when prospecting: identifying yourself and your company, involving the customer in the sales process, and letting the customer know what is in it for him or her.

Potential customers want to hear how you can help them, rather than hearing you simply talking up your product.

Come up with an original way to present yourself and your company to establish rapport with potential customers. The average customer is being targeted by thousands of commercial messages per day. This means that a successful salesperson needs to create a sales presentation that stands out from all the others. Establishing rapport with the customer is a major factor in involving the customer in the sales process.

The best way to involve the customer in your sales pitch is to ask questions and solicit concerns. Asking questions gives you information concerning the customer that may be beneficial to you in the future. For example, below are two examples of phrasing an opening. Which do you think will have better results?

- "Hello, Mr. Jones, I am Kelly Fairfield with Wind Company, and I would like to tell you about our new efficiency equipment...."
- "Hello, Mr. Jones, I am Kelly Fairfield with Wind Company, and I am here today to see if your company is having any problems with your utility efficiency that we could help you resolve through our new efficiency equipment."

Using openings that focus on the customer's needs will help the customer feel that you, as the salesperson, are truly concerned with helping him or her, rather than just making money.

Letting the customer know what is in it for him or her is the most important objective because people buy results. This includes presenting features, advantages, and benefits. You should always make sure that you answer the "so what is in it for me?" question. If you have not answered this question, you should reevaluate your presentation.

Conclusions

When facing the challenge of obtaining a new customer base, prospecting can be an important tool. Becoming motivated to prospect and learning to accept the failures associated with prospecting are the initial barriers to overcome. Once you have begun prospecting, it is important to make efficient use of your prospecting time so as to not waste valuable sales time. Your success rate at prospecting also depends on creating interest in your product or service. All of these factors are crucial in expanding a customer base for both beginning and experienced sales professionals.