

Effectively Assessing Sales Opportunities: *The Continuing Dilemma for Today's Sales Managers*

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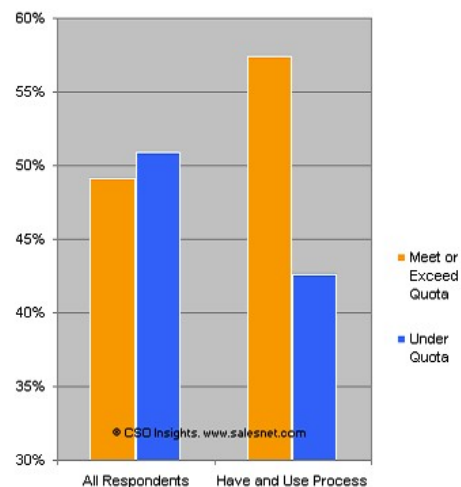
Winning More Deals

As a salesperson, would you like to close more business without doing any more work? Most salespeople would jump at the chance to do that; however, they don't seem to want to take the time early in sales campaigns to determine where *not* to spend their time. The most successful sales professionals win more business not just by working hard or by making more sales calls, but by working smart and carefully assessing the viability of each opportunity at the beginning of the sales campaign.

One thing that the most proficient salespeople instinctively and intuitively do on a consistent basis is to focus on the *right* deals. They seem to have their own *built-in* or *hard-wired* qualification system for accurately and effectively assessing their current sales opportunities. They clearly don't chase every deal that's placed in front of them. It's like they have a sixth sense about working on the *right* deals...the deals they have the best chances of winning. They can quickly examine ten deals and determine which ones should receive their immediate attention and which ones can easily be placed on the back burner.

Effectively assessing sales opportunities can be a difficult task, particularly if the organization's approach to qualification is inconsistent or unstructured. Research has shown that companies that have a formal sales process in place are more effective in having salespeople achieve their sales quotas on a consistent basis and having fewer salespeople that under perform and miss their sales objectives. (See Figure 1 below).

In addition, sales managers must confront a never-ending dilemma: How should they assign and allocate their scarce resources among the myriad of sales opportunities that are in the pipeline? How should they decide where to place those limited resources so as to receive the best return on their investment? What process should they use to apply a fair, yet consistent, approach to addressing those questions?



Using a Common Language and Structured Process

Today's sales organizations involved in the high value, complex sale must coordinate resources from a wide range of functions, both inside the company and externally, through business partners or alliances. The internal resources can include those from sales support, manufacturing, engineering, and product marketing, to name a few. Most importantly, external partners and alliances can also represent key resources. Every person on the virtual sales team might be having discussions with a variety of people in the client organization. Each may have crucial roles to play at critical points in the sales campaign.

Sales managers often serve as the final arbiters for the use of the scarce resources available to their salespeople. They have to make some critical decisions regarding the application of those resources, often deciding which opportunities should receive the most important, and often most expensive, resources. These decisions can have a significant impact on the outcome of sales opportunities, especially those that are highly competitive. Therefore, it is essential that sales managers understand the most up-to-date status of key deals currently in their pipeline.

One way to ensure that opportunities are consistently and fairly evaluated and communicated is to have a common language. A common sales language makes it easier for all members of the sales team to discuss the client, the details of the sales opportunity and the client's long-term needs. This does not mean that everyone needs to speak French or English, but that everyone speaks the language of opportunity management, using a common and consistent terminology. Many problems associated with resource allocation dissipate if an organization has a common language, a common approach and a common reference point that provides everyone who 'touches' the client the ability to understand and communicate the key business issues. If there is a common way to describe a business problem and talk about the pain in the client's organization, it will help a sales organization's internal operations move more quickly to solve the client's problems. In addition, a consistent way of communicating and tracking value with each client gives the salesperson and account team the ability to manage a client's requirements, as well as their expectations.

Assessing Each Sales Opportunity – Three Compelling Questions

Every salesperson believes that his or her deal is one they can win, provided they have the right resources at their disposal. But how can a sales manager evaluate all of the deals currently being pursued within their organization without being present on every sales call being made by their salespeople?

Resource deployment can be very expensive, yet it's critical to place the right expert or resource in the right place at the right time. Without some consistency and common understanding of the sales opportunity and the long-term relationship with the client, it's difficult to assess when and where the appropriate resources should be applied. With an effective opportunity assessment process, the management of the sales organization can more readily conclude that specific sales opportunities are worth the investment of additional resources. Using a common language and a structured, repeatable process for analyzing each sales opportunity makes it easier for the sales organization to allocate its limited resources.

There are three compelling questions that should be used throughout each sales campaign to qualify the opportunity. These questions, and the corresponding underlying criteria, should be asked at multiple times during a sales campaign. They should certainly be asked near the beginning of a campaign to determine if a legitimate sales opportunity exists and should be pursued by the salesperson. They should be asked again if there's a significant change to the client's business profile or to the competitive landscape during a sales campaign. It might also be appropriate to pose the questions again if there is a major change to the profile of the sales organization (i.e., the introduction of new solutions).

The three compelling questions are:

- ***Should We Pursue This Opportunity?*** Is this project or application connected to a key business initiative and has funding been approved and allocated? Do you understand the client's business drivers, business initiatives and the driving reasons for the client to change or make a decision to implement this project or application...or is the client simply gathering information?

Developing an in-depth understanding of the client's business, their key customers and competitors is an important aspect of this question.

Since time and resources are limited, it's important to determine that the opportunity being assessed is a real and represents a worthwhile investment in time and resources.

- ***Can We Effectively Compete for this Opportunity?*** Solution fit is but one component of whether you can be competitive in a sales campaign. Are there enough internal or external resources available to compete successfully for the business? Are there existing business relationships established with the client? Do you understand the formal and informal decision-making process? Does your solution offer specific business value that enables you to differentiate yourself from your competitor(s)?

Knowing how your company, as well as your solution, relates to the specific sales opportunity can be a key ingredient to winning the deal. Being able to realistically contrast that information with that of your competitor(s) is an important factor of assessing this compelling question.

- ***Can We Reasonably Expect to Win this Opportunity?*** This question is the one that is most often overlooked in sales campaigns. Many opportunities are lost even if the salesperson has the best solution, the best delivery and even the best terms and conditions. This question deals with how well the salesperson understands the client's organizational structure that reveals the inside support necessary to win the deal. The answer to this compelling question also reveals which key executives wield the most power and influence within the client organization, as it relates to this sales opportunity. Most importantly, the salesperson must determine the *relevant* executive associated with the opportunity; namely, the executive who stands to gain the most or lose the most as a result of the application or project.

Do the most powerful people in the client's organization want you to win? Do you have credibility with the client's key players? Most importantly, is there political alignment with the key players in the client organization who either affect or are affected by the buying decision? Finally, what facts support these assessments of your client relationships?

Contrasting these factors with that of your competitor(s) can have a significant impact on your decision to continue to pursue a sales opportunity.

Examining each of these three compelling questions at multiple times during a sales campaign can be compared to an airline pilot examining her pre-flight checklist. No matter how many times a pilot has flown a certain airplane, she meticulously examines that checklist prior to each and every flight, probing each question, using a structured and methodical approach. She clearly doesn't want to be surprised in the midst of a flight and does not want to leave anything to chance.

Although it may only take a few minutes for a salesperson to examine those three compelling questions and some of their underlying criteria, you will find that by doing so you'll be much more in tune with your chances of winning each sales campaign.

And, by the way, if you want to get bad news about a sales campaign, where would you rather learn that news? At the beginning of a campaign before you've expended any time, effort or resources, or at the end, after you've invested lots of time and resources? Clearly, you'd want to know *as early in the sales campaign as possible*. That's the whole idea of assessing your opportunity at multiple

times during a sales campaign, beginning with an assessment early in the process.

Disengaging from a sales campaign can be an important step in the overall process of managing a series of sales opportunities. While that step can also be difficult, sometimes it is the important decision a salesperson can make; in other words, deciding where *not* to spend your time. Disengaging also means that you probably don't have a chance of winning the deal, and by implementing that step it allows you to focus on the opportunities you have the best chance of winning. By disengaging from one deal you have substantially increased your odds of winning other opportunities.

Call to Action

What are three things you can do right now to improve your approach to analyzing your top ten sales opportunities?

- First, assess your current sales opportunities using the three compelling questions and the criteria outlined above. Consider focusing only on your top ten opportunities to see how this approach might be of value. This could be a good first step to implementing a consistent, repeatable process for *all* major sales opportunities.
- Second, review proven sales methodologies that are available in the marketplace today to determine the specific process that is best suited to your company's needs. Talk to people in your own company who have implemented successful sales processes in the past to determine the one that has delivered the most value.
- Third, develop a plan to infuse and implement a sales process in your company within a realistic time frame. Secure the support of initiating sponsors within your company (at the executive level) and sustaining sponsors (at the first and second-line sales management level) to ensure its success.

Summary

Only by using a structured approach and a common language for each sales opportunity can you make informed decisions about the application of resources, as well as the amount of time you should be spending on the opportunity. When you consider how important time is to a salesperson, you realize the importance of analyzing opportunities early and frequently.

Typically, the allocation of resources cannot be done at the sales team or salesperson level, but rather by sales managers or sales executives, who can evaluate and consider all of the key opportunities in the pipeline or about to enter the pipeline. Using a common language, a common terminology and a common set of criteria for assessing sales opportunities is a requirement for success in this venture.

About the Author

Dr. Steve Bistriz brings nearly four decades of high-technology sales, sales management and training management experience in helping companies ranging from start-ups to established global leaders. He is a published author and lecturer in the field of sales, sales management and selling to senior executives.

Steve spent more than 27 years with IBM in a number of sales and training-related positions. In 1994, he joined a sales training company, Target Marketing Systems and developed sales training programs that were subsequently delivered to thousands of professional salespeople around the world. In 2002, he started his own sales training and consulting company, based in Atlanta. He holds a doctorate in human resource development from Vanderbilt University, which he received in 1995. You can learn more about Steve on his website, www.sellxl.com

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