

The Sales Process

A **sales process**, also known as a **sales tunnel** or a **sales funnel**, is a systematic approach to selling a product or service. A growing body of published literature approaches the sales process from the point of view of a systematic discipline. While selling is a person to person process which is a two-way communication there are principles of persuasion and motivation steps that lend themselves to improving the success rate. To improve sales, meaning revenue and profit, the fundamental job is to move a greater number of larger deals through the sales process in less time.

Specific steps or stages in a sales process vary from company to company but generally include the following elements:

1. Prospecting/Initial contact
2. Preapproach- planning the sale initial fit criteria
3. Approach for the sales lead
4. Need identification and assessment for a qualified prospect
5. Presentation and proposal
6. Meeting objections and negotiation
7. Gaining commitment and closing the deal
8. Follow-up and customer service

These eight steps of the sales process are more current/accurate compared to commonly held views of sales. These are the typical steps taken, which are usually obtained in the same order, however can vary depending on the current situation. These steps of the sales process are given and explained in one of the most influential sales textbooks written by Gregory A. Rich, Rosann L. Spiro, and William J Stanton, entitled "Management of a Sales Force" Twelfth Edition.

These steps follow the motivation series of persuasive speaking:

1. Getting Attention of the Audience
2. Nature of the Need of the Audience
3. Satisfying the Need of the Audience
4. Visualizing the Benefit of the Solution to the Audience
5. Asking the Audience to Take Action

Fundamentally all persuasive arguments follow these steps. The same is true of selling which is a persuasive argument.

Mapping a process provides a starting point for further analysis and continuous improvement. Diagramming a process flow is considered to be one of the seven basic quality improvement tools that enables Lean process improvement tools. One cross-functional approach depicts and integrates a variety of interdependent areas, such as sales, Marketing, Customer Service and Information Systems.

From a seller's point of view, a sales process maps the decision making through stage-gating steps based on collection of information or execution of procedures that qualify movement to the next step - Of the large number of initially interested persons on the narrow end of orders only a fraction of the initially interested people remain and actually place an order. This controls seller resource expenditure on non-performing deals. Knowing who is the decision maker in a sales process is vital. Ideally this also prevents buyers from purchasing products they don't need though such a benefit requires ethical intentions by the seller. Because of the uncertainty of this assurance, buyers often have a buying or purchasing process. The interface between the selling and buying process should be diagrammed.

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A formalized sales process is generally more common for companies that either have complex sales cycles, large revenue risks that require systematic assurance of revenue generation, and/or those that choose to use a more consultative sales approach (e.g. Lockheed-Martin, IBM, Hewlett-Packard).

An effective sales process can be described through steps that walk a salesperson from meeting the prospect all the way through closing the sale. Often a bad sales experience can be analyzed and shown to have skipped key steps. This is where a good sales process mitigates risk for both buyer and seller. A solid sales process also has the dramatic impact of forecasting accuracy and predictability in revenue results.

Many companies develop their own sales process; however, off the shelf versions are available from a number of companies in the sales performance improvement industry. These provide a customizable process and a set of electronic tools that can be freestanding or can be integrated if required with the company's CRM or other opportunity management system.

Successful salesmen must put in the time and effort at front end of the sales process to understand their customers' needs with the goal of ensuring that the "customer's needs" are fully satisfied. This time and ultimately money, far exceeds spending on advertising and is far more effective in creating happy customers that repeat and spread the word. This two-way communication is at the heart of the personal selling process. This communication enables the salesperson to adjust the message and obtain feedback from the customer. This also provides feedback to improve the product and the message. This 'truth' is the basis for the most successful salesperson as they focus on satisfying customers over the long term and not focusing on their own self-interest.

Building product awareness and having a profound understanding of the product or service from the customer's perspective is essential. Only with this knowledge can the two-way communication create trust and confidence. Having the customer come to the realization that your product is "The Solution" is the highest form of persuasion. The most influential forms of promotion occurs when one person speaks highly of a product to someone else, particularly if the message sender is considered an unbiased source of information. Controlling this is a key responsibility of the salesperson.

There are categories of customers:

- Order Getters
- Order Takers
- Order Influencers

The salesperson must know which is in his audience.

A lot of sales information is easily lost as it is in the mind of an individual. Modern selling now has tools such as a Customer Resource Management system. The essential requirement for an effective CRM system is the need for all customer contact points (e.g., salespeople, customer service, websites) to gather information so that this can be shared with others in the company.

While the attitude toward CRM has made its implementation difficult in many companies, salespeople should understand that it is not going away. CRM and information sharing has proven to be critical for maintaining strong customer relations and salespeople must learn to adapt to it.

These are the features a good CRM brings:

1. Generating Sales Leads
2. Qualifying Leads
3. Preparing for the Sales Meeting

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4. Making Initial Contact
5. The Sales Meeting
6. Handling Buyer Resistance
7. Closing the Sale
8. Account Maintenance
9. Prospect Initiated – Includes leads obtained when prospects initiate contact such as when they fill out a website form, enter a trade show booth or respond to an advertisement.
10. Profile Fitting – Uses market research tools, such as company profiles, to locate leads based on customers that fit a particular profile likely to be a match for the company's products. The profile is often based on the profile of previous customers.
11. Market Monitoring – Through this approach leads are obtained by monitoring media outlets, such as news articles, Internet forums and corporate press releases.
12. Canvassing – Here leads are gathered by cold-calling (i.e., contacting someone without pre-notification) including in-person, by telephone or by email.
13. Data Mining – This technique uses sophisticated software to evaluate information (e.g., in a corporate database) previously gathered by a company in hopes of locating prospects.
14. Personal and Professional Contacts – A very common method for locating sales leads uses referrals. Such referrals may come at no cost to the salesperson or, to encourage referrals, salespeople may offer payment for referrals. Non-paying methods including asking acquaintances (e.g., friends, business associates) and networking (e.g., joining local or professional groups and associations). Paid methods may include payment to others who direct leads that eventually turn into customers including using Internet affiliate programs (i.e., paid for website referrals).
15. Promotions – The method uses free gifts to encourage prospect to provide contact information or attend a sales meeting. For example, offering free software for signing up for a demonstration of another product.

The added benefit is that it can significantly aid in the management of sales representatives who for many companies are the feet on the ground in the field. These Reps have divided loyalty and management of them is a vital function of the sales department. Regular reviews that are data-driven are vital.

Qualifying Sales Leads

Not all sales leads hold the potential for becoming sales prospects. There are many reasons for this including:

1. Cannot be Contacted – Some prospects may fit the criteria for being a prospect but gaining time to meet with them may be very difficult (e.g., high-level executives).
2. Need Already Satisfied - Prospects may have already purchased a similar product offered by a competitor and, thus, may not have the need for additional products.
3. Lack Financial Capacity - Just because someone has a need for a product does not mean they can afford it. Lack of financial capacity is major reason why sales leads do not become prospects.
4. May Not Be Key Decision Maker - Prospects may lack the authority to approve the purchase.
5. May Not Meet Requirements to Purchase - Prospects may not meet the requirements for purchasing the product (e.g., lack other products needed for seller's product to work properly).

The CRM can track these and provide sales intelligence and follow-up.

Preparing for the Sales Meeting is another important step to insure success. If a prospect has been qualified or if qualifying cannot take place until additional information is obtained (e.g., when first talking to the prospect), a salesperson's important next task is to prepare for an eventual sales call. At this stage the salesperson's key focus is one learning as much as possible about the prospect, "Know Your Audience". While during the lead generation and qualifying portion of the selling process a seller may have gained a great deal of knowledge about a customer, invariably there is much more to be known that will be helpful when an actual sales call is made. The salesperson must use their research skills to learn about such issues as:

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1. who is the key decision maker
2. what is the customer's organizational structure
3. what products are currently being purchased
4. how are purchase decisions made
5. Making Initial Contact (a) Cold Calling for Presentation or (b) Cold Calling for Appointment

The Sales Meeting is at the heart of the selling process is the meeting that takes place between the prospect and the salesperson. This is where establishing rapport with the prospect customer is made. Therefore gaining as much background information as possible beforehand is required. Obtaining accessment of prospect's needs before presenting your product that is to fulfill that need is essential. Product knowledge that is profound as previously mentioned is a requirement. Once presented as a solution for the need of a customer it is too late. Equally important is to assess the prospect throughout the presentation using techniques, including interpreting non-verbal cues (e.g., body language), to gauge the prospect's understanding and acceptance of what is discussed. This does not com across in a tlephone call. There is no substitute for being there. In order to overcome resistance, salespeople must be trained to make sure they clearly understand the prospect's concern.

Closing the Sale, is a skill or art of the best salesperson. Most people involved in selling acknowledge that this part of the selling process is the most difficult. The use of persuasive communication techniques is by far the most controversial and most misunderstood concept related to the selling process and is why credibility is suspect in all salesmen. Because to many people the act of persuasion is viewed as an attempt to manipulate someone into doing something they really do not want to do. However, for sales professionals this is not what persuasive communication is about. Instead, persuasion is a skill for 'assisting' someone in making a decision. It is not a technique for 'making' someone make a decision. The difference is important.

Where one is manipulative and not effective long term, the other is helpful and designed to benefit the buyer. Creating self-recognition in the mind of the prospect is goal. Some times buyers take the lead in closing a sale since they are convinced the product is right for them which is true Sales. For salespeople, understanding when it is time to close a sale and what techniques should be used takes experience. In any event, the close is not the end of the selling process but is the beginning of building a relationship.

While account maintenance is listed as the final activity in the selling process, it really amounts to the beginning of the next sale and, thus, the beginning of a buyer-seller relationship. In selling situations where repeat purchasing is a goal (compared to a one-time sale), following up with a customer is critical to establishing a long-term relationshi. The Customer Service department becomes the vital ingredient in this formula for sustaining repeat sales. The Quality department is equally important so any product issue is quickly delt with for the benefit of the customer and the company. The Salesperson and the Quality Engineer must be in concert in fairly and effectively communicating to the customer.

Perry Denning