



How to Convert Prospects to Customers Faster with Pre-Call Planning

By John Lysinger

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How to Convert Prospects to Customers Faster with Pre-Call Planning

Introduction

Pre-call sales planning is the most important element of the sales call. Without it, sales representatives lack the information critical to building relationships and closing sales in this tough economic environment of longer sales cycles and lower close rates.

Understanding what information is helpful and how to go about gathering that information is the key to converting prospects to customers quicker and increasing the ROI of your sales and marketing investment.

Today's business environment presents many challenges to sales representatives — challenges

that are unique to an economic downturn. These challenges make selling more difficult, and they leave sales representatives with the task of working not only harder but smarter.

Some companies deal with these challenges by abandoning their efforts to prospect for new business opportunities. Instead, they concentrate their efforts on their current customers and attempt to grow through referrals. While this is a good way to play it safe in today's tough economy, it isn't necessarily the smartest — or most profitable route to take.

How the Environment Influences Sales

Yes, the sales cycle has gotten longer in the past 5 years, but that doesn't mean that you can't succeed in spite of this fact. Before concentrating your effort on prospecting, you

must understand the current business environment and how it influences your prospects.

Revenue growth in today's environment is challenging because of longer sales cycles and lower close rates

Sales Cycle 5 years ago



Sales Cycle Today



When economic times get tough, businesses cut back. A conservative approach is taken in decision-making, and businesses are more guarded about parting with their money. This translates into wary buyers. Today prospects and customers are much more cautious than they have been in the past. The economic reality is such that:

- Most firms are not growing
- Price points are often frozen
- Costs are increasing
- Revenue is flat to down
- There are concerns over reorganization, consolidation, downsizing, and outsourcing

Customers and prospects are seeking more today, and in order to get the sale you have to give them what they want. Prospects want value for their money because they are often operating under tight budgets. Not only do they want fair prices, but they expect exceptional value for their money. This means that your sales organization has to dispel the buyer's wariness by acting as a partner, consultant, problem-solver. This puts a lot of pressure on your sales organization, but you can combat this problem by arming your sales force with high quality business information.

Setting Your Sales Force Up for Success

Without the right information, your sales organization will have a great deal of trouble positioning itself for a sale. As tough as the economic situation is, the sales environment is even tougher. Salespeople have to deal with the following on a daily basis:

- Not enough good leads
- Incomplete/poor information on leads
- Marketing not responsive to sales' needs
- Inability to prioritize leads
- Wasting time contacting dead-end leads

These factors can slow down the sales cycle to a virtual crawl. Since sales efficiency has an enormous impact on profits, and sales calls cost your organization hundreds to thousands of dollars per day, you can't afford to fall into the traps listed above.

Maximizing your investment in your sales organization is as easy as initiating the practice of pre-call planning. Pre-call planning can shorten the sales cycle and increase close rates by providing sales representatives with two key pieces of information:

1. **Insight into prospects' business priorities**
2. **Insight into senior level decision-makers**

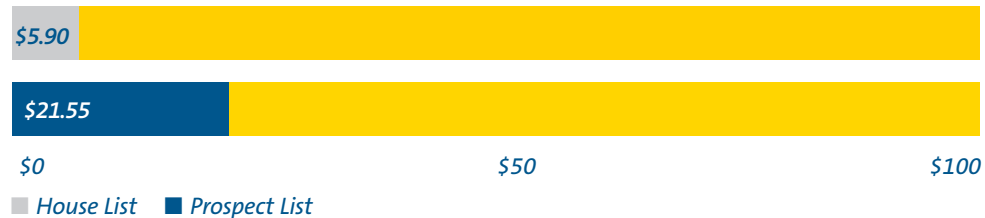
THE MOST COMMON PRE-CALL PLANNING SOURCES ARE:

- Networking Sources
- Internet/Company Web Sites
- Annual Reports
- Prior Sales History
- Internal Advocates
- Trade/Professional Journals

How Much Are Your Sales Calls Costing You?

According to the “2003 Response Rate Study Direct & Interactive Marketing Campaign Metrics”

Outbound telemarketing cost per contact:



Advantages and Disadvantages of Pre-Call Planning Sources

It’s important to use a variety of sources to round out your efforts. Each source has its own unique advantages and disadvantages, and they should be considered before using each.

PRE-CALL SOURCE	ADVANTAGES	DISADVANTAGES
NETWORKING SOURCES	Most tried and true of all sales tools; very personal; very accurate	Takes time to build relationships; not always practical
INTERNET/COMPANY WEB SITES	Easy-to-access, very valuable	Company site is tool crafted to convey certain image — be careful about the information by considering the author
PRESS RELEASES/ARTICLES	Similar to the advantages of company Web sites	These are carefully crafted marketing tools whose accuracy depends on the author, how dated the information is, the angle of the story, and the level of research involved
ANNUAL REPORT	Great source of all kinds of information	Similar to the disadvantages of company Web sites
PRIOR SALES HISTORY	Provides insight into patterns of purchase, creditworthiness, etc.	Only available if you’re dealing with someone that has previously purchased from your company
INTERNAL ADVOCATES	Great source assuming you have time to develop contacts	Information can be skewed depending on the source (the person, department, longevity with company, etc.)
TRADE/PROFESSIONAL JOURNALS	Great information readily available	Similar disadvantages to press releases/articles

Key Information That Can Close More Sales

Armed with this type of in-depth knowledge, a sales representative has the perspective he/she needs to shorten the sales cycle.

By understanding the prospect, the sales representative can relate to him/her much quicker than if the sales representative had gone in cold, wasting time asking qualifying questions. Rapport can easily be established, and the sales representative will be in a better position to close the sale because he/she will be viewed by the prospect as a consultant and a problem-solver rather than a peddler trying to make a sale.

In order to conduct successful pre-call planning, it's important to understand which pieces of information are useful. Before going face-to-face with a prospect, **a salesperson should have answers to the following questions:**

- What is the formal and informal structure of the organization?
- How do they make decisions with regard to your type of product?
- What is their budget and schedule for purchase?
- Why do they buy from their current supplier, and what do they look for in new ones?
- Who is the salesperson you will be selling against, and what are his/her strengths and weaknesses?
- Does the current vendor have a product, service, or delivery glitch that you could exploit?
- Who are the key influencers in the account?
- How long have they been looking for a source for your product?
- What are they looking for in a supplier?

... what you don't know can hurt you, so the more information the better.

- Do they traditionally buy on price? What are their standards in terms of quality, service, and delivery?
- What is the likelihood of reorganization within the company?
- What do they absolutely not want to change?

It's critical to cover all of your bases. In the case of sales, what you don't know can hurt you, so the more information the better.

While it may seem like a lot of work on the front end, the payoffs on the back end will compensate for the time spent researching.

During the pre-call planning process, it's critical to remain focused on the prospect.

Understanding a prospect's hot buttons and challenges will put you in a better position to get their business.

To gain insight into a prospect's mindset, research the following:

- Understand company strategy and core competencies
- Develop a strategy for approaching the company from several levels and functions
- Know their industry
- Know their competitors and how they stack up
- Uncover how financially consistent they have been
- Understand their operations — what they do and how they do it
- Look for ways to weave your solution into their processes

The Payoffs of Pre-Call Planning

A solid understanding of the above not only inspires confidence within your prospect, but it can help a salesperson in a variety of ways:

- Feel more confident and in control
- Be more knowledgeable and client-focused
- Ability to develop a game plan before the call
- Increase the odds of closing the sale
- Know, in advance, the answers to the pre-call planning questions

Not All Leads Are Created Equal

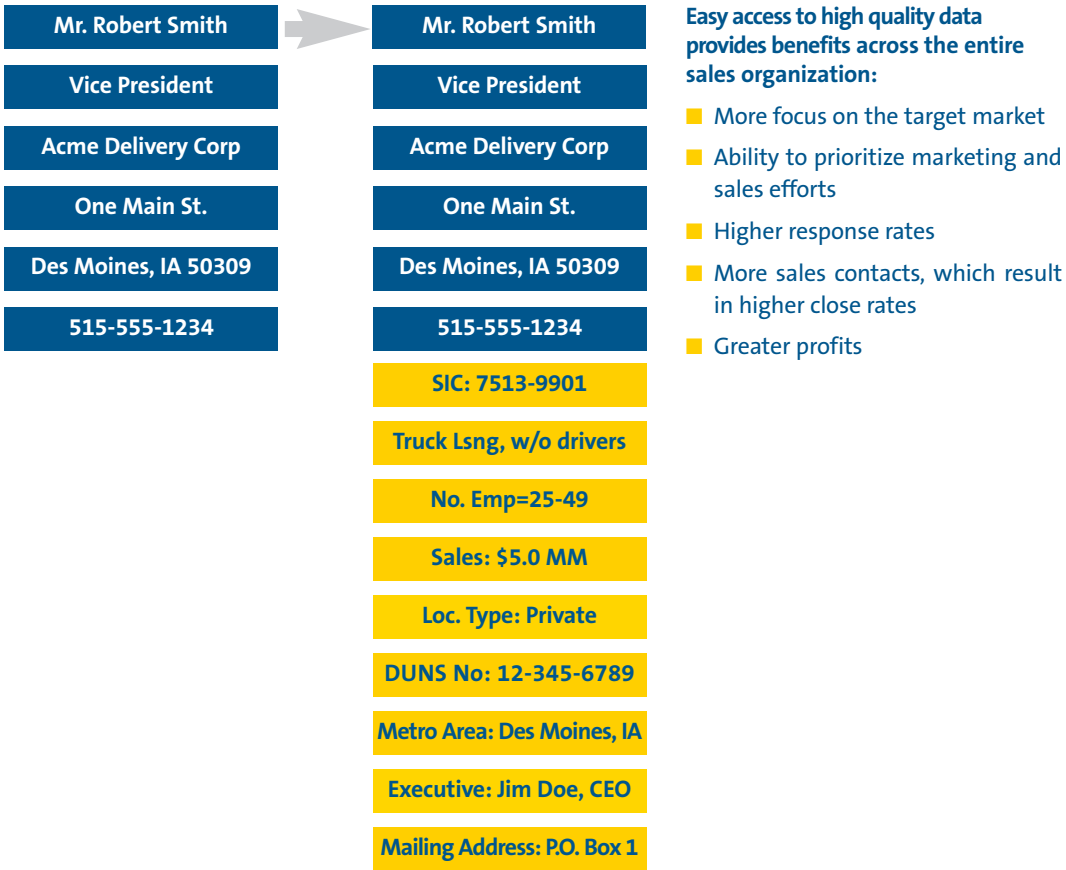
What level of information do your sales representatives currently have access to? Do your leads contain the basic contact information, or do they lack key data elements? The fact is, a valuable lead contains more than just basic information. In fact, the more information included in the lead, the more valuable the lead is.

Adding value is as easy as seeking out a business information provider with trustworthy data you can append to your current files. Appending data to your files enhances your understanding of your customers and prospects by giving you insight into the company and its challenges.

THIRD PARTY INFORMATION THAT ADDS VALUE ARE:

- Size (employment, sales volume, etc.)
- Type of Business — SIC, NAICS
- Ownership, Legal Structure
- Credit Worthiness
- Linkage - Corporate Relationships

What a Value-Added Lead Looks Like and How It Can Help You



In addition to shortened sales cycles, a higher ROI, and higher sales numbers... it's quick and easy to do.

Technology and Pre-Call Planning

In addition to shortened sales cycles, a higher ROI, and higher sales numbers pre-call planning has yet another benefit — it's quick and easy to do. Today's technology empowers sales representatives to log onto the internet — or place a CD-ROM in their disc drive — and get instant access to all of the information we've mentioned here.

In a few clicks of the mouse, it's possible to find a company's stock symbol, corporate Web address, company background, financials, executive bios, industry information, competitive information, the latest news on a specific company, SEC filings, and much more. With that depth of information at one's fingertips, pre-call planning can be done with minimal time and effort.

Conclusion

A little pre-call sales planning goes a long way. Committing to a pre-call planning process and understanding the right information to uncover can yield excellent results. Pre-call planning is an inexpensive way to combat today's tough economy and provide sales representatives with the confidence they need to close more sales. Accessing critical

information is easier than ever given the array of online and CD-ROM databases available today. Shortened sales cycles, increased ROI, greater sales productivity, and higher sales numbers are only a few clicks away from reality.

About the Author

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John Lysinger serves as Hoover's Vice President of Enterprise Subscription Sales. In his role, John is responsible for increasing sales to existing enterprise-level accounts and growing the company's base of loyal customers. Lysinger brings to Hoover's more

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