

# Learn to Walk Away: The Key to Sales Qualification

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It appears a large number of organizations have limited Key Performance Indicators (KPI's) around sales performance. What this means is they have limited information available to them about how their sales team is performing. In many cases they report revenue achieved versus budget on a monthly and yearly basis by sales consultants, but when asked about...

- Win rates
- Average length of sales cycle
- Time to first sale
- % of leads converted

...most do not know the answer!

It is surprising that these key indicators are not being measured and or managed. Revenue generation underpins a company's success – the ability to attract and retain a customer base. Often this is because systems have not been put in place to measure the sales process.

Frightening, many companies do not have a consistent and repeatable sales process in their organizations – so when they are asked to replicate the “same customer sales experience” they find it almost impossible to repeat.

Let's, for example, consider a sales consultant with \$1M annual quota with perhaps an average sale price for their products of \$50K – effectively 20 sales needed a year to meet their quota. If they average a 33% win rate – they need to work a continuous weighted pipeline of \$3M (60 prospects) of potential sales. In other words the consultant loses \$2M of business each year! These are big numbers to lose when multiplied by the number of sales consultants in the company! Most traditional sales training focuses on skills and techniques to win business.

**Consider the idea of not servicing business we are going to lose?** Difficult concept, right? What would be the impact if we could predict what business we can win and business we will lose? Significant impact to top line revenues. In hindsight we can often reflect on what went wrong – but sales consultants rarely walk away from opportunities. For some reason they push on and often make the same mistakes over and over. Why is this?

A good poker player is skilled at assessing his chances and mitigating possible risk. Are there guidelines, red flags, we could use in the sales process, concerns that we should be identifying in the opportunity such that we walk away? I think so. In fact I challenge you to enforce and teach your sales consultants to remove a number of opportunities from their pipeline each month.

Have them choose the least likely to win prospects (low probability chances) and send them a DCM letter (a term from my sporting days, like when you were dropped from the team you received a letter saying ‘Don't Come Monday’, that says that you don't think it's a good fit for either you or their company. Sales consultants naturally are optimistic and find it very difficult to decline a potential client especially when history suggests they are going to win 33% of their pipeline! By introducing a checklist we can potentially increase our results by \$2M in this example.

So my suggestion is this – when you uncover an opportunity where a company wants your products and services you evaluate a checklist to see if YOU should make an exception & allow them into YOUR sales process. All too often as sales consultants we become subservient in the buyer/seller relationship. We are too eager to please and provide everything available to ensure they understand the company and what it does. But a solid long term relationship is built on a WIN-WIN basis. You do something for me – and I'll do something for you. Do you know the latest statistics indicate 87% of company revenue is generated by only 13% of the sales consultants?

The following checklist is where you start to work out why YOU should issue a ‘DCM’.

**1. No Business Driver:** What problem are they trying to solve? If they can't articulate that – RED FLAG IT.

**2. No Power:** Who are you talking to?; Can you be introduced to the decision maker at the start of the sales process ?; Only sell to people who can buy.

**3. No Value:** As a sales consultant you need to be able to understand the cost of them doing business today without your products and services; The customer needs to be willing and able to answer questions. With these answers you can determine savings you can create together. This takes pressure away from price.

**4. No Vision:** If they don't take ownership and create a vision there will be no sale.

Look at your pipeline now. Run the above checklist against them. How does it look? My suggestion is to run with those where you have three ticks or more – ‘DCM’ the rest. You will have more time to secure those left and have a much higher close rate. LEARN TO WALK AWAY FROM SALES OPPORTUNITIES & INCREASE YOUR REVENUE!