

Productive Selling News

A Quarterly Publication of Boyens Group®, Inc.

Edition #27

October 1, 2008

Sales Tip of the Quarter: "Proven Prospecting/Pipeline Development Tips" by: John Boyens

As we begin the fourth quarter of the calendar year many sales professionals are feverously "working" their pipelines trying to close any and all business they can before the end of the year. While admirable, salespeople often times become so one-dimensional that they stop prospecting to focus on closing business in the fourth quarter. That leads to a slow start to the new calendar year. The purpose of this article is to help sales professionals close off 2008 in style while "kick starting" 2009!

Over the past seven weeks I've worked with fourteen different companies and asked their respective sales teams the following question:

"If you had one quality appointment in the morning, one quality appointment in the afternoon and spent one hour a day prospecting would sales go up, go down or stay the same?"

Fourteen out of fourteen companies said that sales would go up. Does that surprise you? It's the answer that I expected! That's why I asked the question.

Prospecting Tip #1: Ensure that these activities are executed. Set your appointments and schedule time to prospect, network or canvass every day.

Business development is a daily activity...not a once in awhile activity that allows your pipeline to dry up.

Tip #2: Profile your best customers and target "like" prospects. Most successful salespeople profile their existing customer base to determine specific characteristics of their "best" customers (i.e., SIC code, annual revenue, number of employees, locations, etc.). Imagine if you found out that your best customers are in the financial services industry with revenues of \$50 million dollars plus employing over 100 people with offices located throughout the southeastern part of the United States. Wouldn't it be quite easy to find other financial services companies that "fit" that profile? Scrubbed, reliable prospect lists can be rented or purchased from various sources, including information services companies (such as Dun & Bradstreet, Experian, Equifax, InfoUSA, Trans Union, etc.) trade associations, professional organizations, alumni associations, list brokers or compilers. These prospect lists enable you to tailor your marketing efforts to different customer segments.

Tip #3: Ask for referrals. Every time someone closes a sale they should ask for a referral. Every time that they're

turned down for a sale they should ask for a referral. Every time that they satisfactorily resolve a customer problem or complaint they should ask for a referral.

Tip #4: Join a local or regional networking group. The sole purpose of a networking group is to enable salespeople to share leads with member businesses that don't directly compete with theirs. Examples of other networking opportunities include joining a local Chamber of Commerce, joining a trade association or volunteering to participate in a charity or local function.

Tip #5: Use your local newspaper or business journal for leads. The business section of local papers and regional business journals are usually filled with prospects that need your products or services. For example if you sell office equipment, keep an eye out for new companies that are moving into your territory or for companies in your territory that have announced expansion plans. Proactively marketing to those companies will put you in a favorable position. Also, look at the names of the people who were recently promoted or who received awards. A hand written note with a copy of their article is a great "ice breaker!"

Spotlighting a Top Performer

On September 4th Tom Black and I co-hosted a Sales Leadership Summit in Nashville. We had 60 sales leaders from across North America representing 42 different companies. I am pleased to report that the Summit received a rating of **4.73**. As an FYI, a score of "5" indicated that the Summit was valuable while a score of "1" indicated that the Summit was not valuable. Here are a couple of comments we received on the feedback forms:

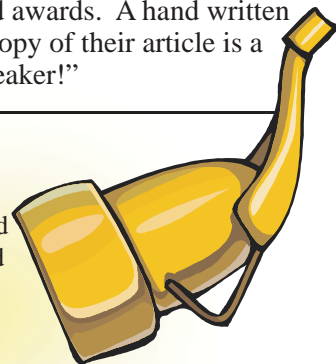
"Excellent program...very informative...useful information that will be easy to implement."

Jim Furio; RVP of Euler Hermes ACI

"Wow! What a great session. You guys did an excellent job! Based upon the interaction and participation you nailed an excellent agenda covering topics that sales leadership struggles with today. The breakout sessions on managing a remote sales force, sales compensation and sales metrics were very powerful."

Charles Weir; President of Marketing Insights

I'd like to thank Jim and Charles for their kind words and wish all the Summit attendees continued success! If you were unable to attend the September 4th Summit but would like to attend future Sales Leadership Summits please contact us directly at (615) 776-1257.



BOYENSGROUP®
Catalysts for Productive Selling

9615 Brunswick Drive
Brentwood, TN 37027

615-776-1257 Phone
615-776-1258 Fax

john@boyens.com
www.boyens.com

Sales Management Tip of the Quarter: "Sales Compensation" By: John Boyens

"Does your sales compensation plan drive the type of behavior and deliver the kind of results that you want?"

When I'm trying to solicit business this is one of the questions I always ask executives because 9 times out of 10 their answer is "no" and that response allows me to engage in a strategic conversation that is very important to the well-being of their company. Sales compensation is a topic that most sales leaders and companies struggle with every year.

During the Sales Leadership Summit (mentioned earlier in this newsletter) we facilitated a breakout session and posed the following question and direction: What do you consider to be the key to a successful sales compensation plan? Be specific as it relates to what percent of the total compensation should be base versus variable compensation, how often payments should be made (i.e., monthly, quarterly or annually), what the key performance drivers should be, etc. Listed below are some of the suggestions from the sales leaders that participated in the breakout session:

- Structured/aligned with job description
 - Salary no more than 50% of total comp at plan
- Retain your best salespeople
 - Long-term incentive plan
 - Equity
 - Year-end bonus/commission
 - Multi-year compensation
- Sales compensation needs to support corporate goals
 - Top-line revenue
 - New business
 - Profit
 - Gross margin
 - Customer retention

- One plan does not fit all
- Performance-based pay
- Ensure the right mix between base/commission/bonus
- Start w/salary or draw and wean off over time
- No cap on earnings
- Pay more compensation based upon length of contract
- Offer team bonuses
- Pay commissions as soon as company recognizes revenue dollars
- Offer tiered commission program
- High-performance kickers
- Ensure management overrides to keep everyone in the game
- 100% commission versus base plus commission
- Commissions based upon sales cycle, product development, etc.
- Pay more for new business
- Pay monthly
- Offer an awards trip
- Incent customers to pay faster
- Make sure that you're paying comparable to others in market

In closing, let me share some of my thoughts on sales compensation:

- Pay for performance
- Make it simple to understand and easy to administrate
- Include base salary, benefits, working conditions, sales support tools (i.e., cell phone, expense account, car allowance, etc.) as part of the sales compensation package when you present it to your salespeople
- Utilize "spiffs" or "wind sprints" to drive behavior for short periods of time

Sales Productivity Workshop in Nashville

John Boyens will be facilitating another two-day, Sales Productivity workshop at the exclusive Richland Country Club in Nashville, Tennessee in mid March of 2009. The dates haven't been set as we've gone to print but we want to give you plenty of notice so you can plan to attend. This highly interactive workshop will include sales and sales management "best practices" from over 15,000 salespeople from a variety of industries across the globe, over 15 years of buyer-based research data as well as small group breakout sessions and role plays to ensure that each attendee will walk away with tips/techniques that will positively impact their business the very next day. Key topics will include:

- The four reasons why people don't buy
- Selling value versus price
- Differentiating your company from your competition
- Engaging decision makers earlier in the sales process
- Selling solutions versus selling products

As usual, seating will be limited to 25 workshop attendees to ensure an optimal learning ratio. The investment is \$750/person which includes registration for the two-day workshop, all workshop materials, continental breakfast and a catered lunch both days. We will continue to offer quantity discounts if four or more people attend from the same company. Don't miss this opportunity to invest in your professional development to make 2009 your most productive selling year ever!