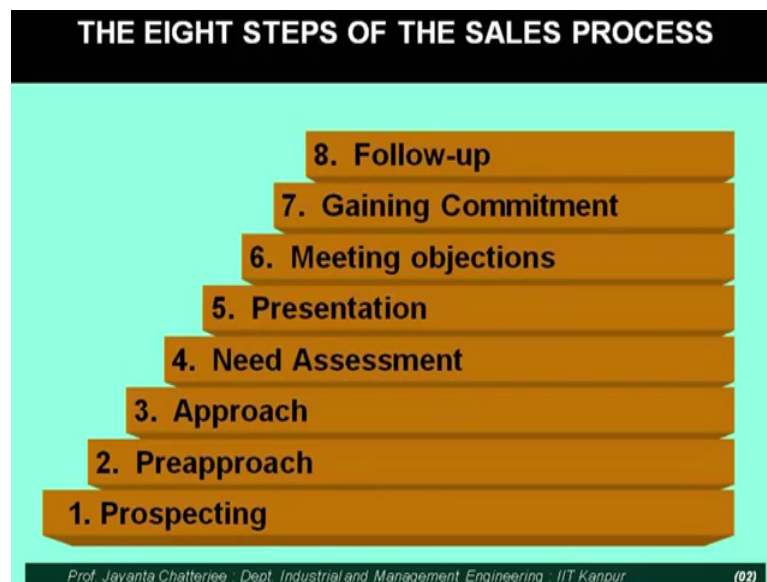


Management of Field Sales
Prof. Jayanta Chatterjee
Department of Industrial & Management Engineering
Indian Institute of Technology, Kanpur

Lecture – 08
Prospecting

Hello. I am Jayanta Chatterjee. We are discussing Management of Field Sales. We are in the second week. As I had discussed in the last session that few sessions now, that means rest of the sessions this week, I am going to dedicate to the doing of sales or the tactical end of field sales. I am going to focus more on the process.

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Now, in the last session I had introduced to you the eight steps of the sales process. And I had also mentioned, and I think it bears repeating that normally the sales people often jump to the stage-5, which is presentation that means they meet with the customer. And, they will like to get into the details of the products, and what they can offer, and the services and so on.

But, it is very important not to cut short the first four steps, which are fundamentally prospecting, the pre-approach, the sales approach, need assessment, before you get into presentation. This prior research, this prior engagement with the actual problems faced by the customer, this problem solution oriented selling definitely needs sufficient attention and time given to the prior research.

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Prospecting

- Identifying and developing potential customers
 - Prospecting in B2C
 - Account or business development in B2B
- Who is a prospect?
 - An individual or business who meets the qualification criteria for targeting (established by your company.)

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So, I am going to discuss therefore some of the first few steps. Like for example, today I am going to discuss about as you see on your screen. Developing and qualifying prospects and accounts, this is a the part of step-1, and step-2. And in this you will notice that there are many intricacies, which are pretty interesting to look at.

Now, prospecting fundamentally means identifying and developing potential customers. In a B2C, we usually call it prospecting, whereas in B2B the same process we often call it account or business development. The reason is I mean this slight difference in terminology has some reason, and that reason is that prospecting is a lot can be done at the through desk work, a lot can be done through tele-sales.

If I take for example, in B2C suppose you are the sales person in a company selling water filters, domestic water filters for kitchen use, for household use. Now, here obviously a good chunk of buyers will be new homemakers, home setters. People who have bought an apartment recently, and will need perhaps to change their old filter or buy a new filter right from the beginning, there may be a new home maker.

A lot of the prospecting work can be done by doing some desk research, identifying the new projects; residential projects coming up, and getting hold of the owners numbers, names, etcetera. Sometimes, that can be obtained from some database or maybe the developers will share their data with you, because this is a good facility that they are providing to their prospective owners. Or, you may be able to hold a road shows, which

means that you may be able to visit some of these areas where new residential complexes are coming up, some kind of an exhibition dedicated to your purpose. And, you can make it announcement in the local newspaper or through handbills, and posters and so on.

And the people who visit obviously there are people who have some interest maybe some immediate interest or some long term interest in acquiring a water filter. And you can spend a proper process, and time to acquire the contact details and classify, this we will in fact this very thing about exhibitions and road shows, and how those can be used for data collection and telesales we will discuss.

But, once you have this, then one can actually use telesales to classify hot prospects or warm prospects. And then personal selling will come into picture, and there will be possibly further discussions, and then appointment fixing, and visiting the site visiting the prospective a buyer. This whole process is in a way kind of a process of prospecting.

So, sometimes people say the initial part, which is the research part identifying the possible buyers is the prospecting, but you can actually also look at the later part. That means, you can look at to up to the point where a meeting is taking place between the seller, the sales representative of the water filter company, and the apartment owner, the prospective buyer.

Now, here we are discussing a case of B2C consumer durable. But, if it is suppose a steel plant, now a steel plant and you are in a company manufacturing say electric motors or valves or actuators, now here the relationship is not exactly of one sale. I mean there may be a target for one sale, target for a bunch of motors the customer may be wanting to replace or wanting to buy new for some expansion.

But, obviously the cycle in B2B is a longer cycle, you have to invest lot of time and effort. And therefore, you will not really put it in the same bracket as the process of prospecting in case of the water filter. Here it will be a continuous process, because a steel plant will have a continuous requirement of the kind of products, you as an electrical equipment manufacturer will be offering.

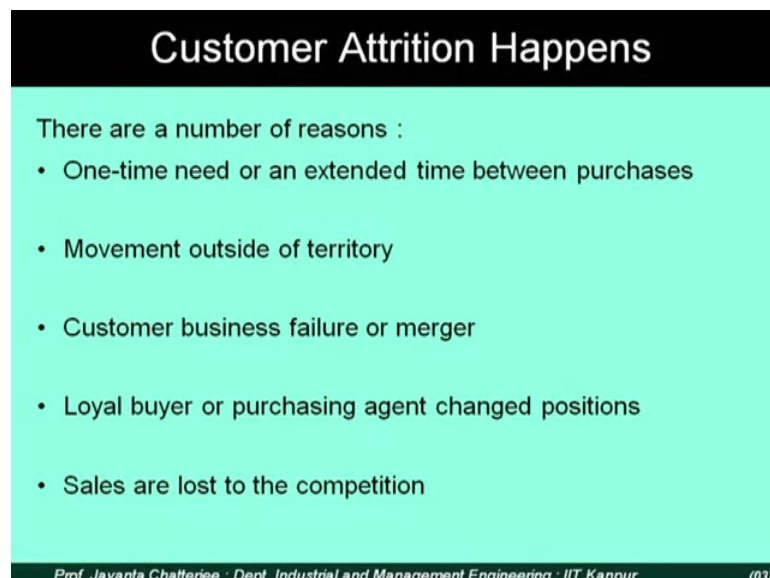
And therefore, you need to identify the people, you need to identify the different types of buyers the people who will sends the need or the user or what we call indenter, the purchase people who might float the enquiries. So, you have to identify all of them, and

you have to keep in touch you have to identify the requirement even before it becomes an enquiry; that will give you some obviously sales advantage, which we will discuss at a later stage.

But, the point here I am trying to make is that in case of prospecting in B2C, it may be often one shot, may be repeated after 3 years or may be a company selling water filter will be also selling vacuum cleaner. And therefore, there may be a second process of prospecting that who among the buyers of water filters might become the buyer of vacuum cleaner, and that will that will be another cycle, but these are kind of discrete cycles. Whereas, in case of a B2B's situation, an electrical motor manufacturer, and a steel plant transaction that can be that will be a series of continuous transactions. So, there actually we call the prospecting as account development.

So, to conclude a prospect is an individual or a business who meets the qualification criteria for targeting, and here it means that you are normally classifying your prospects as something that is going to happen immediately as sale prospect that is immediate or something sales prospect that is a long term prospect. And accordingly we will create gradation, and you will create the targeting priorities.

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Customer Attrition Happens

There are a number of reasons :

- One-time need or an extended time between purchases
- Movement outside of territory
- Customer business failure or merger
- Loyal buyer or purchasing agent changed positions
- Sales are lost to the competition

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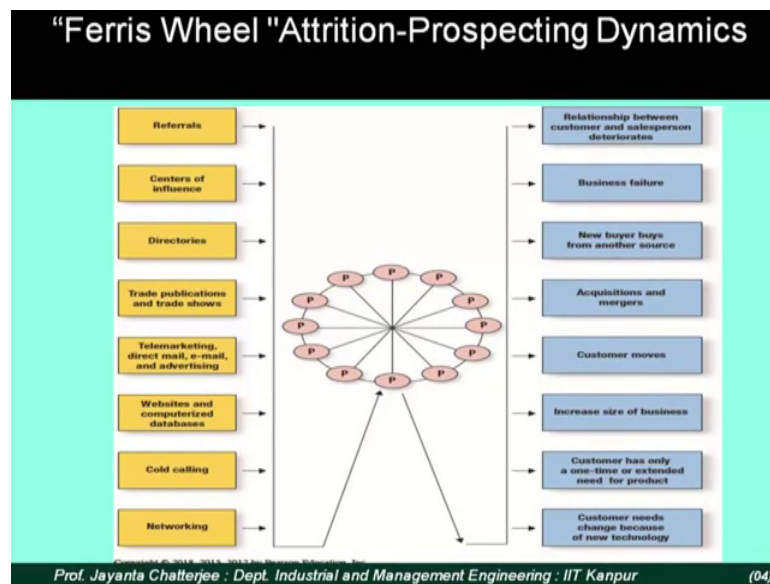
This prospecting process is a very important for B2C for B2B, it has to be a continuous process, because I did mention in the earlier sessions that in today's selling we want to focus more on retention rather than acquisition new acquisition. But, here I am saying is

that some amount of retention will not happen in spite of your best efforts, that means some attrition will happen, some customers will leave.

Now, customers may leave because they there is they there can be the buyer who you had the relation with or the say apartment owner in case of water filter may go to another territory, may shift house, my shift location or in case of B2B a steel plant may actually face an acquisition or merger situation, where they will be doing lot of restructuring or lot of re-evaluation of assets and rationalization. And therefore, you may not figure anymore as a prospective supplier.

Also sometimes that relationship that you develop with a purchase manager; now, that purchase manager may go to another job. So, loyal buyer or purchasing agents that change positions, and also of course everybody is trying. So, in some cases your competitor will succeed, and you will lose this that business to a competition.

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So, this is a very interesting depiction of a research finding, it is the Ferris wheel, Ferris wheel is what you see at a you know amusement parks and fair like the London eye is a very huge Ferris wheel. And similar Ferris wheel will be there in the amusement parks of Bombay or Delhi or Kolkata.

And the Ferris wheel basically as you know that it is a bunch of seats and they are on a wheel, and the wheel is rotating. And as one set of seats are coming near the ground, it is

time for the customer to get off, and also some new customers to get on. The point why it is Ferris wheel is used as a model is to highlight the point that there are various reasons, which you see on the right hand side in blue, where which shows y customers leave. And as you will see from there that sometimes, it is a kind of voluntary that means, the customer is willingly leaving you or it may be involuntary due to acquisition merger or due to business failure, etcetera, etcetera.

And on the left hand side, we have this whole process of getting new customers, getting access to new customers, prospecting for new customers, and a process which ensures that as some customers are leaving your Ferris wheel, you have new customers coming in to take those seats. And in general if we compare this as the left hand side represents inflow of opportunities or signals for new sale, the right hand shows as a as departures or outflow, then as long as the inflow is more than the outflow your business is doing well, your you will have sales growth. And obviously, if your outflow is more than your inflow, then you will have sales decline.

So, obviously your purpose as a salesperson in field sales is to see how the left hand side activities can be optimized, so that you have more and more prospects, because by simple statistical averaging the more prospects you have, there are more likelihoods of new sale happening, and new customers getting on to your Ferris wheel. And as you see on the left hand side this inflows can happen through referrals through directories.

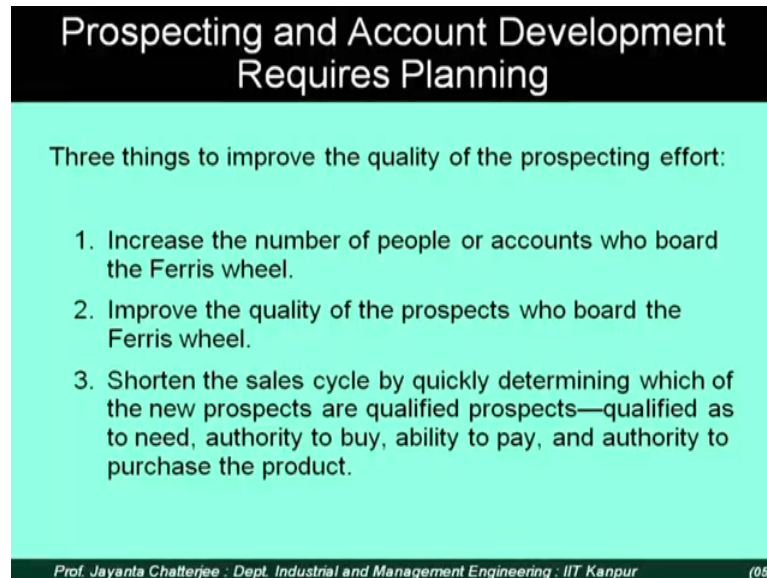
So, one is kind of an active solicitation from existing customers finding new referrals, we will discuss this just now. And some may be desk research like directories or databases of apartment owners as I was one example I gave just now or sometimes you can add gather references from the trade publications or trade shows like exhibitions or road shows, you can then use telemarketing.

Sometimes telemarketing can be used in conjunction with the initial process that means, a referral can lead to a first step as a telephone call to the prospective. Because, somebody may tell you about three possible prospects, three friends who might be interested in buying a water filter or vacuum cleaner. And out of those three maybe a one will express an immediate interest.

So, all these filtration work short listing sort of from the prospect list can be done by telemarketing for efficient economy. And then of course, it can happen through

registration on your website. When a new announcement is made or a coupon that you can attach to your print advertisement, which if is sent back can allow the customer to participate in some raffle that means, you give some incentive to the person to make the effort of sending the coupon back to you. And the coupon therefore is a way of generating prospect lists.

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Prospecting and Account Development Requires Planning

Three things to improve the quality of the prospecting effort:

1. Increase the number of people or accounts who board the Ferris wheel.
2. Improve the quality of the prospects who board the Ferris wheel.
3. Shorten the sales cycle by quickly determining which of the new prospects are qualified prospects—qualified as to need, authority to buy, ability to pay, and authority to purchase the product.

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And of course, at the end there will be still the need of cold calling, because all of these warm processes may not always be enough. So, there will be some cold calling that will be needed. So, if there is a new cement plant coming up, you have no referral, but you know about the project from newspaper announcement etcetera, then you may have to make a visit to that cement plant, find out who are the decision makers, and seek appointment and go through the process tough one.

This process is a cold calling is always tougher than warm calling. There is a higher rate of rejections and objections, but it is a absolutely essential, we will perhaps discuss techniques of cold calling later. So, three things to improve the quality of the prospecting effort that increase the number of people or accounts who are coming into the Ferris wheel, because one customer coming into the Ferris wheel means, you can generate possibilities of three more prospects easily.

Improve the quality of the prospects obviously that means, more the better is your relationship warmer is your transaction with somebody coming on board, the greater will

be the chance of getting derivative prospects. And another thing is this is very important is that shorten the sales cycle that means faster, you can convert a prospect into a sale that means, those eight steps that are there. Those the more efficiently you can climb those steps, the better will be your inflow versus outflow balance, you will have a better rate of inflow.

Because, remember prospecting is just the beginning. Ultimately, what you have to count is the conversion in sales. So, the booking of the order and delivering the product, and getting the cash in your bank that is actually the completion of the cycle, and that has to be accelerated.

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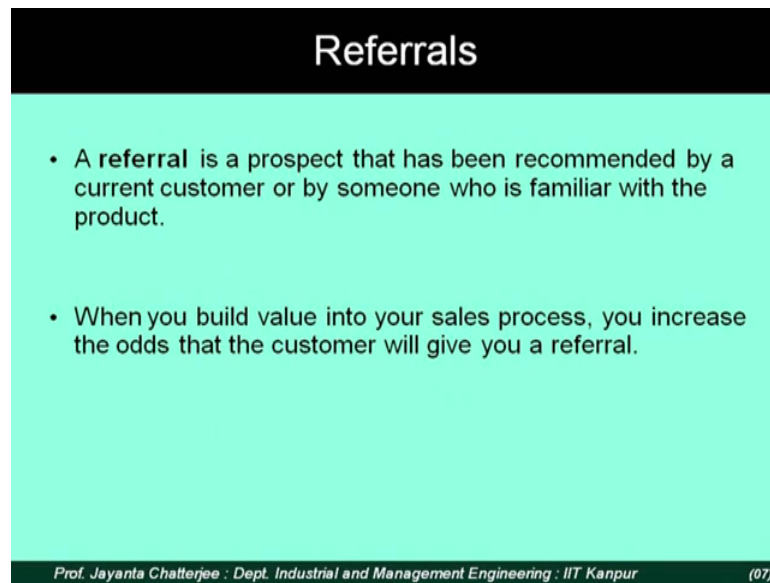
Sources of Prospects and Accounts

- Referrals
- Friends and family
- Directories
- Trade publications
- Trade shows
- Direct-response marketing
- Website
- Databases
- Cold calling
- Networking
- Educational seminars
- Non-sales prospecting

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So, to summarize on your screen now, you have the different sources of prospects, and accounts which we just discussed.

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Referrals

- A **referral** is a prospect that has been recommended by a current customer or by someone who is familiar with the product.
- When you build value into your sales process, you increase the odds that the customer will give you a referral.

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And we will now look at a little bit few details about some of these things like referral. Now, referral is a prospect that has been recommended by a current customer or by someone who is familiar with your product already. This is a very very powerful source of new sale, because the endorsement from an existing customer. And these days it often happens through social media that means, if you have created customer delight, the customer may willingly talk about your product or service. And in that case you know you have your customer as your co-marketer or salesperson, and that is that has tremendous weight for prospective buyers.

So, in a travel for example today in the hotel industry, there lot of hotel booking now happens to the web. And almost always the buyers the prospective buyers for a hotel room, they will be looking at the comments from earlier buyers, people who have already been there. And most web sites today will not edit out the negative comments, because then that website loses credibility. So, there will be negative points, there will be positive remarks, and you allow the customer to make his or her own decision, but you present these testimonials negative neutral or positive better, and that is a very powerful source.

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The slide is titled "Prospecting with Trade Shows and Special Events" in a black header. Below the header, on a light blue background, is a list of events:

- IETF
- Auto-Expo
- IMTEX
- AAHAR Expo

To the right of the list are two promotional images. The top one is for "IETF 2019", the 23rd International Engineering & Technology Fair, held from 3-5 February 2019 at Pragati Maidan, New Delhi. The bottom one is for "AAHAR", the 31st International Food & Hospitality Fair, held from March 15-19, 2016, at Pragati Maidan, New Delhi. The AAHAR image also includes the text "Promoting 'India' Brand Globally..." and "India Trade Promotion Organisation".

At the bottom of the slide, the text reads: "Prof. Jayanta Chatterjee : Dept. Industrial and Management Engineering : IIT Kanpur (08)"

Then I was talking about this trade shows, exhibitions or these road shows. And the this for example is there are two major exhibitions straight shows that happen in India. One is the India Engineering Trade Fair and now called usually IETF by its acronym. So, IETF 2019 which will happen from 3rd to 5th February and usually IETF happen (Refer Time: 22:37) Maidan in Delhi, it is a huge complex exhibition complex. And India engineering trade fair presents the best engineering achievements of the Indian industry, and the various kinds of projects they have executed, the various new machines that have been developed, the various new systems that have been successfully done.

And then you have say another one I have presented here, which is the AAHAR. AAHAR is an exhibition a trade show related to the food beverage, and hospitality industry mainly food and beverage. So, all the food processors, food processing machine makers, the various kinds of agricultural, product processors, they participate in this fair. And they show equipment that may be needed by restaurants or hotels or by domestic buyers, they will show machines that are needed by large manufacturers of food and beverage industry in the food and beverage industry.

Now, look at this and look at what we discussed just a little while back about the different kinds of criteria, qualifying a good prospect. And try to design as your this week's solo exercise a form try to design a form, which you will encourage your visitors

to your stall to fill up. Remember you have to give some incentive for the person to fill it up.

So, usually some rewards are given that may be as simple as a T-shirt or it could be some notebook, it could often be some kit bag or something like that. It can be offered through raffle, some people offer enough number of you know T-shirts, so that many people will fill up as some maybe still filling up, because you may be giving a big reward like an iPhone every day or things like that. So, some incentive get as many forms filled up as possible.

Now, your task will be to design a form which should no way exceed one page, yet should capture all the key data that you want to find with within your prospecting process. So, if you understand what is prospecting, how do you identify intending buyers, and how do you classify the buyers etcetera. Then you apply that knowledge to design a form where you will collect the data, which will lead you to that finding to find a hot leads, and warm leads, and so on. So, design the form do not forget all the essential points that will allow you to make the lead into a sale. And take up any one of these exhibitions.

For example, you can take it up as if you are say a manufacturer of I think let us decide on that, so all the answers should relate to the prospecting for a company manufacturing professional kitchen cleaning system. So, that means a cleaning system that will be used in the kitchen of a restaurant or of a big hotel or a hostel kitchen in the university or a cafeteria large cafeteria kitchen, the cleaning system that will be used. So, you are a manufacturer of such cleaning system. And you are trying to design a form to collect the data from the visitors at AAHAR Expo, which will lead you to more sales opportunities.

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Prospecting with Social Media

- Social media provide an excellent opportunity for finding prospects and reaching out to them.
- Examples of social media tools:
 - LinkedIn
 - Twitter
 - FollowerWonk
 - TweetDeck
 - HootSuite
 - SproutSocial

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Now, as I mentioned prospecting is can be done these days very nicely, and very effectively through social media. All the different platforms of social media can lead you to good prospects. So, you can actually observe the people who are transacting on these platforms. These platforms can be coupled to your Facebook page to your organizations Facebook page.

So, or it if your hotel or your a tourists relation, then you can actually allow the customer to do a simple registration again you have to give some incentive, so that the customer feels incentivized or interested to give you the registration information. And the registration information is actually your lead collection. And if you are clever, and you have designed a good simple attractive form, and you have some incentive there, and then you will collect good classified lead that will help you to build up a hot warm database.

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Sales Networking Model

- Within Organization-Industry
- Outside small world

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Also of course sales networking; this is another way of prospecting, the sales networking happens a through industry conferences, exhibitions or it can be to the various kinds of industry associations and networking there, so or it can be also done through a series of what we call the small world network, and so outside your organization. So, therefore it can happen networking through inside that means, networking using the context of your employees even. So, in case of a water filter manufacturer, they employs themselves or the service people can actually create new referrals, and of course you can also use outside.

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Qualifying Prospects and Accounts

- **Qualifying** is the process of identifying prospects who appear to have a need for your product and should be contacted.
- Every salesperson needs to establish **qualifying criteria** and this process involves finding answers to several basic questions.
- Does the prospect or account...
 - have a need for my product?
 - have the authority to buy my product?
 - have the financial resources to buy my product?
 - have the willingness to buy my product?

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Now, as I think I have been mentioning, I will just I am summarizing in this slide, this process of qualifying. So, qualifying means that how do you actually put the prospect on a time scale to identify the immediate need versus need a few weeks few months later or a need which may be few months few years later. And also it is important to identify that whether the lead is a person who is just an idle enquirer or a person who actually has some kind of say authority to buy your product or also financial resources.

So, the task that I gave you to design a form for on behalf of a kitchen cleaning equipment manufacturer to be used at the AAHAR Expo, these points which are on the slide in front of you. Now, can be used as clues how to design a good form, how to design a form that will lead to a superior database of prospects ok. So, have a need for my product, authority to buy my product, financial resources to buy my product, and the willingness the to buy my product. And, I will say something like an urgency or the timescale of buying the product all these are qualifying criteria to filter the bigger database.

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Sales Intelligence-Data Analytics

- Sales intelligence is necessary when the sale is complex and requires a long closing cycle.
- Sales intelligence goes beyond sales data to include insights about a prospects'...
 - Marketplace
 - Firm
 - Competitors
 - The prospects themselves

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Remember that even though your aim may be to identify the hot and warm leads do not throw away the rest, because those are still better than cold call information, because at least you have information from somebody who came to your exhibition. So, they you are actually at least one step forward.

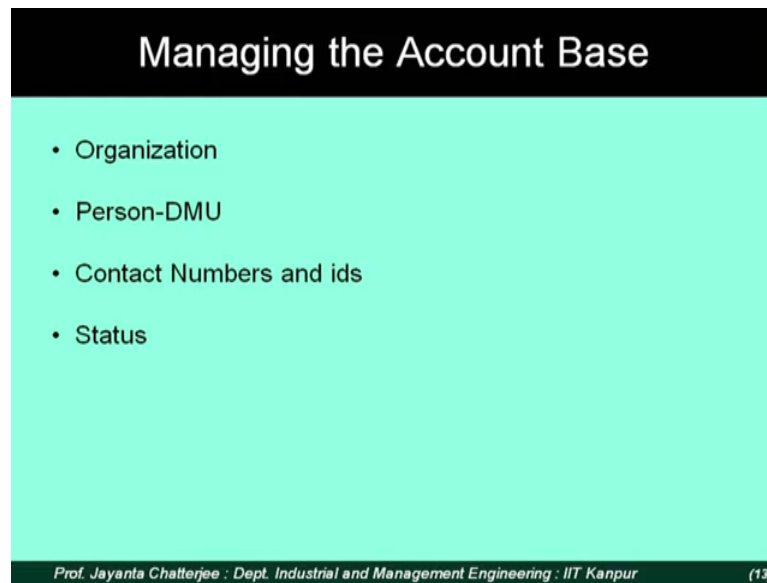
So, they that may indicate a sale that can happen one year later, so which means that if you actually properly store it and trigger it, then you will be able to follow up on it, and you can find out, but you know you visited our stall last year or six months earlier do you have the requirement now formed up etcetera, etcetera. So, you can follow that process. So, everything that you gather from a road show from a trade show from an exhibition is very valuable.

And a lastly this whole thing about sales intelligence and data analytics; and sales intelligence is not simply you know searching the database for the new petrochemical plants coming up or the new cement plants coming up. You have to also match the kind of things that you are offering, and the kind of new projects that are coming up, the kind of new prospect clusters that are coming up like a new residential complex. But, you have to also do some clever analysis to find the segmentation oriented information, so that your targeting becomes more precise.

So, for example of suppose you are making water filters, and your water filter is actually reverse osmosis water filter with ultraviolet etcetera that means, it is at the high end. So, when you do your analytics, obviously you will have to focus on that economic demographic, where if the apartment owner is at a higher end of a spending power, because you are actually offering something which is a like a BMW as opposed to maybe an 800 CC car ok.

So, the analytics must have qualitative input, and not simply quantitative and statistical analysis. And you have to also look at more particular information like the status of competitors in that geography, and how are you placed with respect to your competitors in terms of customers buying criteria and buying preferences. Now, perhaps we will discuss this a little bit more later stage.

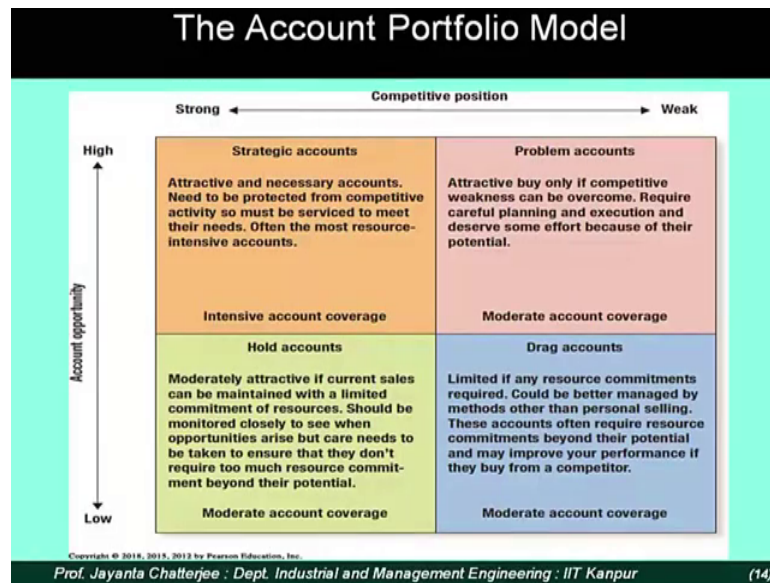
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In the B2B you know it is we are discussing about the account base. As I mentioned that they are prospective prospecting is a also called account development. In the account development, you will actually go little deeper that means, you will find out this all the persons in the DMU standing for Decision Making Unit. As you know the B2B process the sales buying decision is made by a group of people. So, there may be a finance manager, there may be a purchasing manager, there may be an indenter, there may be a technical expert all of these people involved.

So, you identify all these persons in the decision making unit, you are you have to be conscious that the role of these different people at the early stage of the prospecting versus at the late stage of sales closing keep on changing, it is a dynamic situation. So, it obviously at the prospecting stage, the purchase manager or the purchase agent is very important as important also as the indenter. But, at a later stage the finance person or the upper management person or the technical consultant they all become very important. So, you have to gather all the data accordingly.

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And you have to develop this kind of a this is my two concluding slides. The first one is pay attention to it carefully, it is of course a simple 2 by 2 matrix. So, on the Y axis we have account opportunity low to high. Low means, you know maybe cold or low means maybe not enough information is available or low means somebody who has expressed casual interest and not very formed up interest or low may also be because at this moment the customer has interest, but funding is not available etcetera.

And then on the high side of course our accounts were already you know all those things are green go positive. So, it means that it can be immediately converted into a sale that is prospect to sale, and that those many steps can be taken quite quickly. And similarly, on the X axis we have competitive position strong and competitive position weak. So, accordingly you can just see that competitive position strong, account opportunity is high, then obviously your main focus we left you on this is these are things that are happening right now. So, you cannot miss the bus. So, these are strategic accounts or hot accounts, hot leads, immediate cases call it by any name, but these are priority.

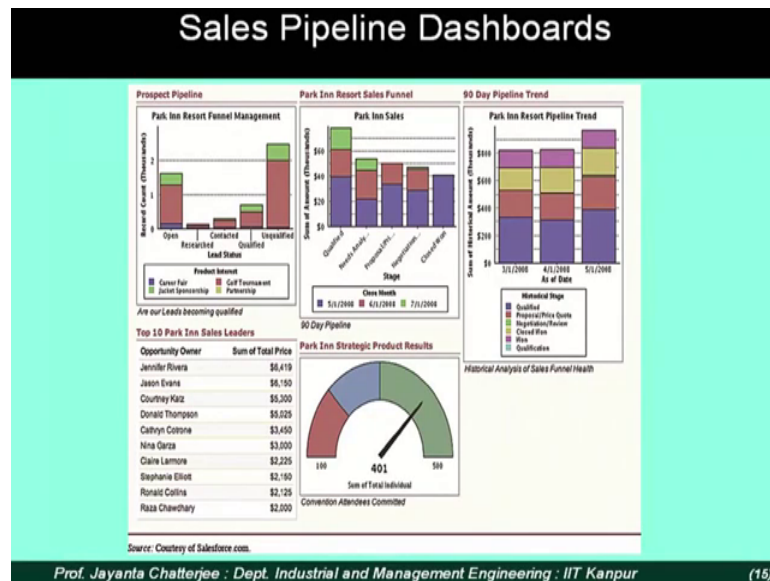
Then if there is a your competitive position is weak, but the account opportunity is high that means, there is a problem which you need to look at. Maybe your competitive position can be improved, if you analyze the competitors, and maybe improve your say service infrastructure or if you are a new entrant, and you do not have good distribution

in that area, maybe you can resort to use of commissioned agents etcetera. There are so many different ways the field salespeople operate.

But, problem accounts are also very important to identify, because you can shift your position by willing action willful actions within your company. From the weak to move towards this strong position that means, some of the accounts which are problem accounts today can be moved to strategic accounts with appropriate actions.

Of course, if the account opportunity is low and your competitive position is also weak, then you know it may not be worthwhile to spend enough time they are right now. So, in your in theory you should try to address every prospect, but as this slide tells you that there is a way of structuring the prospects, and structuring your attention and time spent. And therefore, you can actually improve the efficiency of your sales process.

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These days many software are available for this sales pipeline dashboard as it is called. The same thing that comes from this analysis this 2 by 2 matrix can be put into something that a salesperson can it is like you know watch or something that is available on the tablet of the salesperson. So, every day the person has to decide, how he or she will spend the day calling on which customers phoning which customers, and taking up what kind of discussion.

So, this for example is for a hotel taken from sales force dot com. This is an excellent website, they are they are a pioneer in this field of sales automation that means, creating software, and utilities for field salespeople. So, I will highly recommend that you visit this website see the various kinds of presentations they have, which you can download free.

And the kind of utilities they provide, and these days fortunately even medium sized companies can use this kind of facility, because you can have now paper use type of so you do not have to up fronts spend a whole lot of money to get this software installed on your company server. You can actually create login facilities for your field salespeople, and they can use this on the net and the cloud.

And so go and have a look at this, and you will you will able to you will be able to appreciate that this actually can highly improve with proper training. The utilization of time and effort by a field salesperson on qualified prospects and identify problems, so that it can be the problem accounts can be converted into strategic accounts, so that is kind of the last slide for the day. So, we discussed today the whole process of prospecting, and how to do effectively the first two steps of the sales process.

Thank you.