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Chapter 7

Prospecting and Qualifying: The Power to Identify Your Customers

Video Ride-Along with Lisa Peskin, Sales Trainer at Business Development University

You met Lisa Peskin in [Chapter 1 "The Power to Get What You Want in Life"](#). She has over twenty years of experience in sales and sales training at companies such as Automatic Data Processing, Inc. (ADP), Commercial Direct, and Interbay Funding. Lisa is now a sales trainer and works with companies to help increase their sales. She understands the importance of always identifying potential new customers. Without new customers, businesses would ultimately die. Great salespeople are constantly looking for new prospective customers everywhere. By the way, listen closely to Lisa's advice, as the same methods that help generate new customers are the same ones that can help you find your prospective employer.

Ride along with Lisa and hear her tips for identifying new customers.

[\(click to see video\)](#)

7.1 It's a Process: Seven Steps to Successful Selling

LEARNING OBJECTIVE

1. Explain the role of the seven steps of the selling process.

You may have been surprised if someone told you that movie scripts, regardless of the genre, all follow the same basic formula—the same sequence of events—almost down to the minute: after three minutes, the central question of the movie is introduced; after twenty-seven more minutes, the main character will set off on a new path; fifteen minutes more, and something symbolic will happen; and so on. Viki King, *How to Write a Movie in 21 Days* (New York: Quill Harper Resource, 2001), 34–37. It's hard to believe that *The Fast and the Furious* would follow the same formula as *The Notebook*, but once you know what to look for, you'll see that the structure holds up. Clearly, Hollywood has come to learn that this particular structure is the secret to keeping the audience's attention, earning positive reviews, and selling movies.

In the same way, almost all selling—regardless of the product that's being sold—follows a particular sequence of steps. It's a simple but logical framework that has been the accepted model for almost a hundred years. William C. Moncreif and Greg W. Marshall, "The Evolution of the Seven Steps of Selling," *Industrial Market Management* 34, no. 1 (2005): 13–22. Salespeople have adapted the specifics of the process as culture and technology have changed, but the fact that they've followed the same basic model has for so long testifies to its effectiveness. The **selling process**¹ is generally divided into seven steps that, once you understand them, will empower you to sell virtually anything you want and satisfy your customers:

1. Prospect and qualify
2. Preapproach
3. Approach
4. Presentation
5. Overcome objections
6. Close the sale
7. Follow-up

1. A sequence of steps that builds a framework for selling.

Each step of the seven-step process is covered thoroughly in this and the next six chapters so that you can learn the details of each step and how to apply them in various selling situations.

Figure 7.1 Seven-Step Selling Process Adapted from Michael R. Solomon, Greg W. Marshall, and Elnora W. Stuart, *Marketing: Real People, Real Choices*, 5th ed. (Upper Saddle River, NJ: Pearson Prentice Hall, 2008), 450.



When the Seven-Step Selling Process Is Used

As you learned in [Chapter 3 "The Power of Building Relationships: Putting Adaptive Selling to Work"](#), the sales process is adaptive, which means that each situation may be different and salespeople have to adapt and understand what is important to each customer and where each is in the buying process. But in order for a salesperson to use adaptive selling, he or she must thoroughly understand the steps in the selling process and how each works to can use them effectively.

The Evolving Role of Technology in the Selling Process

While the basics of the selling process have remained the same over the years, the methods of communication and the way people interact are quickly evolving with the use of the interactive capabilities on the Internet by customers and salespeople alike. Each step now includes much more collaboration between customers and salespeople (and even between customers) with the use of social networking, consumer reviews, wikis, and other community-based tools. This technology allows salespeople to learn more about their customers at each step, and therefore provide

more relevant and powerful solutions to customers at each stage of the buying process (covered in [Chapter 6 "Why and How People Buy: The Power of Understanding the Customer"](#)). Selling Power Sales 2.0 Newsletter, *Selling Power*, September 18, 2008, <http://www.sellingpower.com/content/newsletter/issue.php?pc=868> (accessed June 21, 2010).

Business-to-Consumer (B2C) Sales

Let's say you want to buy a gym membership. Maybe you received a promotional offer in the mail, your friends on Facebook have had good things to say about a particular gym, or you picked this club because it's close to home. Whatever the reason, you wander in and ask to speak to the membership director who seems to know a lot about the club and what you might be looking for. After some small talk about the fact that you both live in the same apartment complex, he tells you about the gym's amenities and gives you a tour of the facility. Then, you sit down to discuss pricing options and payment plans. If you have any questions or concerns (i.e., "I noticed there are only three tennis courts. Is there usually a long wait to use one?" or "Why aren't there any kickboxing classes on your class schedule?"), the membership director will attempt to address those. Maybe he will tell you there is occasionally a wait to use the tennis courts at peak times, but you can reserve a spot up to a week in advance, in which case you can get right in. Or maybe he'll say that while they don't have kickboxing classes, they offer Zumba, which is a fun aerobic alternative.

If you're satisfied with his responses, and the price and product meet your needs, you will probably decide to sign a contract. Once you've signed, someone from the club will probably follow up with a call in a few weeks to see if you're satisfied with your experience at their gym, or you may get an e-mail from them with a membership satisfaction survey or a text message about an upcoming event.

The example above is an actual selling situation. Although you may not have realized it while you were reading it, the situation follows the seven-step selling process.

Whether you're buying a gym membership or a car, cell phone service or a new computer, the situation may be different, but the steps in the selling process will follow the same pattern.

Business-to-Business (B2B) Sales

The process isn't only limited to business-to-consumer sales; it's also the process that IBM will use to sell servers to a corporation, that Accenture will use to sell

consulting services to a technology company, or that the Coffee Brewers Company will use to sell espresso machines to coffee shops. Imagine you run a chic new restaurant. You get a call from a salesperson who compliments you on the roasted chicken she had at your restaurant last weekend. After some conversation, she asks if you're satisfied with your commercial ovens. You have been having some problems with them and have been doing some casual research online. You know that her company is rated as one of the best oven manufacturers, so you tell her: the ovens are over ten years old, they take a long time to heat up, and they sometimes cook things unevenly.

“Many older ovens have this problem,” she says. “Would you be interested in learning about the state-of-the-art commercial ovens our company sells?”

Since you need a solution for your current ovens, you agree to set up an appointment with the salesperson. When she arrives, you are impressed that she knows so much about your business. She visited your restaurant, reviewed your menu, spoke with some of the wait staff, read reviews on the city magazine Web site, and even had some conversations with some of your patrons on Chef's Blog. She explains that the ovens she sells heat up quickly and use energy more efficiently. She gives you an estimate of your annual savings on energy costs if you switched over to her product line.

You're interested, but you're concerned that the ovens might not cook food evenly. Ovens are a big expense—what happens if you aren't satisfied with the product? The salesperson says you can lease an oven for a trial period at no obligation, and she shows you reviews from other customers on her company's Web site and on some restaurant industry blogs. You feel like this might help you solve your problem, so you agree to lease the machine for four months.

After two months, the salesperson calls to ask if you've been satisfied with the product so far, and she offers you a discount if you sign a contract to purchase two ovens in the next ten days. Since you have been happy with the leased oven and checked out the company's service record online from other current customers, you make the purchase.

As in the gym membership example above, this B2B selling situation follows the seven-step framework. Now, take a minute to review this selling situation in the box below to see exactly how the steps are implemented.

The Seven Steps of Selling

Compare the B2B and B2C examples you just read about. Do you notice a pattern? Although the products and customers were quite different, both salespeople adapted to the situation and the customer's needs, but followed the same seven steps to successfully complete their sales. In fact, you've probably used a version of these seven steps yourself before without even realizing it. Take a look at some real-world selling examples below and how of each of the steps is used.

Step 1: Prospecting and Qualifying

Before planning a sale, a salesperson conducts research to identify the people or companies that might be interested in her product. In the B2B example, before the salesperson called the company, she had to find the company's information somewhere—probably in a local business directory. This step is called **prospecting**², and it's the foundational step for the rest of the sales process. A **lead**³ is a potential buyer. A **prospect**⁴ is a lead that is qualified or determined to be ready, willing, and able to buy. The prospecting and qualifying step relates to the needs awareness step in the buying process described in [Chapter 6 "Why and How People Buy: The Power of Understanding the Customer"](#). In other words, in a perfect world, you are identifying customers who are in the process of or have already identified a need.

Undoubtedly, when the salesperson called the target customer to discuss his ovens (in the example, you were the customer), she asked some questions to **qualify**⁵ him as a prospect, or determine whether he has the desire and ability to buy the product or service. This is the other component to step one. What happens if the customer is not interested in the salesperson's product, or he's interested but his business is struggling financially and doesn't have the resources for a big purchase? Perhaps he is only an employee, not the manager, and he doesn't have the authority to make the purchasing decision. In this case, he is no longer a prospect, and the salesperson will move on to another lead. Salespeople qualify their prospects so they can focus their sales efforts on the people who are most likely to buy. After all, spending an hour discussing the capabilities of your company's ovens with a lead that is about to go out of business would be a waste of time. It's much more fruitful to invest your time with a **qualified prospect**⁶, one who has the desire or ability to buy the product or service.

Step 2: Preapproach

The **preapproach**⁷ is the "doing your homework" part of the process. A good salesperson researches his prospect, familiarizing himself with the customer's needs and learning all the relevant background info he can about the individual or business. Geoffrey James, "6 Things to Know about Every Prospect," BNET, January

2. Identifying potential buyers for a product or service.
3. A potential buyer for a product or service that has not yet been qualified.
4. A potential buyer for a product or service; also referred to as a qualified lead.
5. Determining whether a lead has the desire and ability to buy your product or service.
6. A prospect a salesperson has determined has the desire and ability to buy the product or service.
7. The preparation and research a salesperson does before making the sales call.

12, 2009, <http://blogs.bnet.com/salesmachine/?p=705> (accessed June 9, 2009). Remember that in the B2B example, the salesperson knew important information about the restaurant beforehand. She came prepared with a specific idea as to how her service could help the prospect and gave a tailored presentation.

Step 3: Approach

First impressions (e.g., the first few minutes of a sales call) are crucial to building the client's trust. Michael T. Bosworth, *Solution Selling: Creating Buyers in Difficult Selling Markets* (New York: McGraw-Hill, 1995), 106. If you've ever asked someone on a first date (yes, this is a selling situation), chances are you didn't call the person and start the conversation off with the question, "Hey, do you want to go out on Saturday night?" Such an abrupt method would turn most people away, and you probably would not score the date you were hoping for. Similarly, as a professional salesperson, you would almost never make a pitch right away; instead, you'd work to establish a rapport with the customer first. This usually involves introductions, making some small talk, asking a few warm-up questions, and generally explaining who you are and whom you represent. Paul Cherry, *Questions That Sell: The Powerful Process of Discovering What Your Customer Really Wants* (New York: AMACOM, 2006), 21. Neil Rackham, *The SPIN Selling Fieldbook* (New York: McGraw-Hill, 1996), 40. This is called the **approach**⁸.

Figure 7.2



The approach may be on the phone, in person, or via e-mail or

8. The first few minutes of a sales call, during which the salesperson explains her purpose for coming and establishes a rapport.

Step 4: Presentation

There's a good deal of preparation involved before a salesperson ever makes her pitch or **presentation**⁹, but the presentation is where the research pays off and her idea for the prospect comes alive. By the time she presents her product, she will understand her customer's needs well enough to be sure she's offering a solution the customer could use. If you're a real estate agent selling a house and your customers are an older, retired couple, you won't take them to see a house with many bedrooms, several flights of stairs to climb, and a huge yard to keep up—nor will you show them around a trendy loft in a busy part of town. The presentation should be tailored to the customer, explaining how the product meets that person or company's needs. It might involve a tour (as in this real estate example), a product demonstration, videos, PowerPoint presentations, or letting the customer actually look at or interact with the product. At this point, the customer is using the information that is being shared as part of his evaluation of possible solutions.

other online method such as a social network.

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Step 5: Handling Objections

After you've made your sales presentation, it's natural for your customer to have some hesitations or concerns called **objections**¹⁰. Good salespeople look at objections as *opportunities* to further understand and respond to customers' needs. William C. Moncreif and Greg W. Marshall, "The Evolution of the Seven Steps," *Industrial Marketing Management* 34, no. 1 (2005): 14, 15. For instance, maybe you're trying to convince a friend to come camping with you.

"I'd like to go" your friend says, "but I've got a big project I need to finish at work, and I was planning to spend some time at the office this weekend."

"That's no problem," you tell him. "I'm free next weekend, too. Why don't we plan to go then, once your project's out of the way?"

Step 6: Closing the Sale

Eventually, if your customer is convinced your product will meet her needs, you **close**¹¹ by agreeing on the terms of the sale and finishing up the transaction. Thomas A. Freese, *Secrets of Question Based Selling* (Naperville, IL: Sourcebooks, Inc., 2003), 166. This is the point where the potential gym member signs her membership agreement, the restaurant owner decides to purchase the ovens, or your friend says, "Sure, let's go camping next weekend!" Sometimes a

9. The part of the sales call when the salesperson offers her solution for the prospect.

10. Hesitations or concerns a prospect might have about the product or purchasing process.

11. Agreeing on the terms of the sale and finalizing the transaction.

salesperson has to make several **trial closes**¹² during a sales call, addressing further objections before the customer is ready to buy. Dave Dolak, “Sales and Personal Selling,” <http://www.davedolak.com/psell.htm> (accessed June 10, 2009). It may turn out, even at this stage in the process, that the product doesn’t actually meet the customer’s needs. The important—and sometimes challenging—part of closing is that the seller has to actually *ask* if the potential customer is willing to make the purchase. William C. Moncreif and Greg W. Marshall, “The Evolution of the Seven Steps,” *Industrial Marketing Management* 34, no. 1 (2005): 14, 15. When the close is successful, this step clearly aligns with the purchase step in the buying process.

Step 7: Following Up

OK, so you’ve completed a landscaping job for your customer or sold him a car or installed the software that meets his needs. While it might seem like you’ve accomplished your goal, the customer relationship has only begun. The **follow-up**¹³ is an important part of assuring customer satisfaction, retaining customers, and prospecting for new customers. This might mean sending a thank-you note, calling the customer to make sure a product was received in satisfactory condition, or checking in to make sure a service is meeting the customer’s expectations. This is the follow-up e-mail you get from Netflix every time you return a movie by mail. It’s Amazon’s invitation to “rate your transaction” after you receive your Amazon order. Follow-up also includes logistical details like signing contracts, setting up delivery or installation dates, and drawing up a timeline. From the buyer’s perspective, the follow-up is the implementation step in the buying process. Good follow-up helps ensure additional sales, customer referrals, and positive reviews. Dave Dolak, “Sales and Personal Selling,” <http://www.davedolak.com/psell.htm> (accessed June 10, 2009). and actually leads you back to the first step in the selling process because it provides the opportunity to learn about new needs for this customer or new customers through referrals.

12. An attempt to close the sale.

13. The final step of the process in which the salesperson assures customer satisfaction and maintains customer relationships.

KEY TAKEAWAYS

- The **seven-step selling process** refers to the sequence of steps salespeople follow each time they make a sale. The process gives you the power to successfully sell almost anything.
- The first step of the selling process, **prospecting** and **qualifying**, involves searching for potential customers and deciding whether they have the ability and desire to make a purchase. The people and organizations that meet these criteria are **qualified prospects**.
- Before making a sales call, it is important to “do your homework” by researching your customer and planning what you are going to say; this is the **preapproach**.
- The **approach** is your chance to make a first impression by introducing yourself, explaining the purpose of your call or visit, and establishing a rapport with your prospect.
- Your research and preparation pays off during the **presentation**, when you propose your sales solution to your prospect.
- Your prospect will naturally have **objections**, which you should look at as opportunities to better understand and respond to his or her needs.
- Once you overcome objections, you **close** the sale by agreeing on the terms and finalizing the transaction.
- The sales process doesn’t end with the close; **follow-up** (i.e., ensuring customer satisfaction and working out the logistics of delivery, installation, and timelines) is essential to retaining existing customers and finding new ones.

EXERCISES

1. Think of a personal interaction in which you sold someone on an idea (e.g., a vacation, a choice of movies, or a date). Explain how the seven steps applied to this particular situation.
2. Consider the last major purchase you made. Did the salesperson use the seven steps? In what ways could he or she have done a better job? What eventually sold you on the product?
3. Imagine you are trying to sell season tickets to your local ballpark. After you present the product to your prospects, a middle-aged married couple, they tell you they are very interested but are concerned they might be out of town on some of the weekends when there are home games, and they don't want their tickets to go to waste. What solutions could you offer to overcome their objections?
4. Discuss the difference between a prospect and a customer.

7.2 Prospecting: A Vital Role in the Selling Process

LEARNING OBJECTIVE

1. Understand the role prospecting plays in the selling process.

Imagine you decide to build a house from the ground up. After designing your ideal house, of course it would be nice if you could snap your fingers and get to the fun part: watching the finishing touches come together. But before the walls go up you have to make detailed plans and measurements, find your materials and negotiate with contractors, and lay the foundation. All these things require patience, time, and effort, but these steps are absolutely necessary for the project to move forward.

Planning and laying a foundation is a little like prospecting and qualifying. Finding leads (or people who *might* be prospects) is the most vital part of the selling process—you can't make a sale without identifying the people to whom you'll be selling. Charles M. Futrell, *The ABC's of Relationship Selling*, 9th ed. (New York: McGraw-Hill Irwin, 2005). In other words, without prospecting, nothing else can happen. Yet, unlike laying a foundation, prospecting doesn't happen just once; it's a constant process. Businesses lose some customers every year for a variety of reasons: customers may no longer need the product or service, have the financial means to purchase the product or service, or live or do business in the area, or the business may no longer be open. So if you haven't been building your prospect list, you won't have new customers to replace the ones you lose. More than this, finding new prospects is the only way you can increase your sales and expand your business.

Figure 7.3



Prospecting and qualifying are the foundation for a solid selling process.

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The Value of a Lead

Think of the last time you went to the store to make a major purchase and you started by browsing the products. A salesperson probably approached you with the standard “Can I help you?” and you may have responded with the equally standard “No, thanks. I’m just

looking.” Chances are good that the salesperson left you alone after that, very likely assuming you weren’t genuinely interested in making a purchase. Most people—salespeople and customers alike—are surprised to learn that over two-thirds of shoppers who give the “just looking” response end up purchasing the product within a week. Channel Intelligence, “2004 Channel Intelligence Consumer Buying Intent Survey Reveals Online Shopping Trends,” <http://channelintelligence.vnewscenter.com/press.do?step=pkview&contentId=1184050872399&companyId=1123580114932> (accessed June 10, 2009). In other words, these customers are valuable leads, and all too often their business goes to a competitor.

Let’s say you are planning to buy a new refrigerator. That’s generally not the kind of purchase you make on the spot; you will probably go to a number of stores to compare products and prices first. If you tell the salesperson at the second store that you’re just looking, you may then go to a third store and decide you’re ready to buy. As a customer, if the vendors seem more or less equal, you will base your purchasing decision on price, product features, convenience, or a combination of these things. But imagine the salesperson at the second store who took the time to determine your specific needs, wrote down your contact information, and followed up with you. It’s very likely she would make a sale. Her products might be quite similar to her competitors’, but if she goes out of her way to provide you with a solution, you have a reason to buy from her over someone else.

Now let’s change hats. What does knowing this information mean for you as a salesperson? Most importantly, it means that you should never write off a lead until you are *certain* he can’t be qualified as a prospect. If you work in a showroom that sells only high-end cars like Lexus or BMW and a potential customer walks in wearing torn jeans and a T-shirt, you might be tempted to mentally disqualify him, assuming he won’t have the money to buy such expensive cars. But appearances are often misleading, and you won’t know whether or not your lead is *actually* qualified until you ask some specific, qualifying questions. When you realize that a lead is the only thing you can turn into a sale, you also realize just how valuable every lead is.

This is true for both B2C *and* B2B sales, wherein 30 percent to 50 percent of companies that see and respond to business-specific ads end up purchasing the product or service about which they’ve inquired within one or two years. This percentage is nothing to sneeze at. Yet, according to businesses, only about 1 percent to 5 percent of the ad-related inquiries they get from businesses translate into sales. John Coe, *The Fundamentals of Business-to-Business Sales* (New York: McGraw-Hill, 2003), 125. That’s a big gap. In other words, a lot of valuable leads can slip through your fingers if you don’t follow up and qualify them.

The Sales Funnel

If you talked to a guidance counselor when you were applying to colleges, he probably told you to consider several and then apply to a number of schools (more than just two or three) even though you would only end up choosing one school in the end. This is because not all the schools that you apply to end up being a good fit. Sometimes you aren't accepted, sometimes you are accepted but don't get an ideal financial package, and sometimes as you learn more about a school you decide it isn't the right one for you. Whatever the reason, you start out by considering many schools and generally end up deciding between a few.

The same can be said of the selling process. In fact, the process is often compared to a funnel. You start out with many leads, and after gathering more information, you come up with a smaller list of qualified prospects. As you communicate with these potential customers and work toward a solution, some will turn out to be more likely to buy than others. It's common sense to assume that you will have more leads than you have buyers since not all leads turn into customers. The concept of the **sales funnel**¹⁴ is a helpful way to visualize the process of finding and qualifying your customers and effectively illustrates the value of identifying a large pool of potential prospects. If you don't bother to find more than a handful of leads, you limit your chances of ever closing a sale no matter how much effort you put into your sales presentation. It's a common temptation that most people want the results without having to put in the foundational work of finding and contacting prospects.

Figure 7.4 *Traditional Sales Funnel*



14. An illustration of the way the sales process begins with a large pool of prospects and ends with a more focused number of buyers.

But wait a minute, you might think, “Isn’t it hugely inefficient to spend time and effort communicating with so many prospects with the expectation that only a handful of those will turn out to be buyers?” This is also true, which is why qualifying and prioritizing your prospects is such an important part of the sales process. Technological tools like collaborative communities and other online resources can help you identify, qualify, and prioritize prospects. But you might wonder how do you decide which prospects you should invest your time in pursuing. To begin with, you should create a profile of your ideal buyer. Ron Hubsher, interview by Gerhard Gschwandtner, *Daily Report*, Sales Optimization Group, *Selling Power*, <http://www.salesog.com/index.html> (accessed June 9, 2009).

Create a Profile of Your Ideal Buyer

- What particular qualities and characteristics will define this individual or company?
- What specific problems would this buyer have that your product could solve?
- In what ways should the buyer be compatible with you or your organization?

For instance, if your company sells expensive, high-quality kitchen utensils, the average college student *won’t* fit your ideal profile. While a young adult living away from home for the first time might have something in common with your ideal customer, the college student likely won’t have the budget or desire to go out and get the top-of-the-line products.

Your ideal customer profile will help you prioritize and target your efforts because it provides a model against which you can measure your leads to determine whether a potential customer is worth pursuing. If you focus your energy on prospecting and qualifying, which is learning more about your target prospects, you will save valuable time and resources, which you can then devote to giving your customers a more satisfying experience. Effective prospecting and qualifying empower you to invest in the opportunities that count. Ron Hubsher, “Turning the Sales Funnel Upside Down,” interview by Michelle Nichols, Savvy Selling, podcast audio program, *BusinessWeek*, July 13, 2007, http://www.businessweek.com/mediacenter/podcasts/savvy_selling/savvy_selling_07_13_07.htm (accessed June 9, 2009).

Video Clip

Prioritizing Leads

Understand how to use the sales funnel to maximize leads.

<http://www.sellingpower.com/content/video/?date=2/9/2007>

Now that you understand the concept of prospecting and why it's important, you'll find the next sections helpful as they will provide you with tools to help you find prospects and qualify prospects.

KEY TAKEAWAYS

- Prospecting is the most vital part of the selling process. Without prospects, you won't be able to make sales, and without constantly searching for new prospects, you won't be able to replace the customers you lose and grow your business.
- A **lead**, or **prospect**, is the only thing you can turn into a sale, so it's important to follow up with your leads. Don't write someone off without legitimately qualifying him.
- The concept of the **sales funnel** illustrates the value of generating a large pool of leads because many of your prospects won't qualify or will drop out during the selling process.
- You should begin searching for leads by building an ideal customer profile to help you target your search efforts.

EXERCISES

1. Describe the ideal customer for the following products or services:
 - iPod Touch
 - Ferrari sports car
 - GEICO car insurance
 - Unnamed Publisher textbooks
2. Discuss the sales funnel and why leads are important to the selling process.
3. Discuss the difference between a prospect and a customer.
4. If someone goes into a Best Buy store and looks at the home theater systems, is he a lead or a prospect? Why?
5. Visit a local jeweler and shop for a watch. What questions does the salesperson ask to qualify you as a prospect?

7.3 Go Fish: Resources to Help You Find Your Prospects

LEARNING OBJECTIVE

1. Identify resources to use when prospecting.

In the last section, you read that prospecting can be compared to setting up the plans and laying the foundation for a building project. You could also say that prospecting is a little like going to class or making your bed—you've got to do it, and you know that it won't be long before you're doing it again (assuming you make your bed regularly!). Because prospecting is one of those jobs that's never truly finished, it's helpful to draw on a number of sources and be creative about the places where you find your leads.

Where to Find Prospects

Knowing your ideal customer and where he or she is likely to go for information will allow you to choose the best prospecting sources for your business. It helps to *be* your customer. Imagine yourself in your prospect's shoes and think about where you would go for information. For instance, if you are a photographer who specializes in professional yearbook and graduation pictures, you might want to set up a Facebook account so you can let students in local schools know about your services. Adam Stone, "Dennis Kelly Photography Took a Shot with Facebook," *Philadelphia Business Journal*, June 5–11, 2009, 10–11. Meanwhile, if you're in B2B sales and your ideal prospects are car dealerships in northern California, you might build up your professional network by joining the local branch of the National Auto Dealers Association or by joining some community organizations in your city.

Prospecting takes knowledge and creativity, so start your prospecting and qualifying with the top ten power prospecting list below. No matter what business you're in, think of this section as your GPS for finding the leads that will fuel your business growth.

Top Ten Power Prospecting List

1. Existing customers
2. Referrals
3. Networking and social networking
4. Business directories in print
5. Online databases and directories
6. Newspapers, trade publications, and business journals
7. Trade shows and events
8. Advertising and direct mail
9. Cold calling
10. Being a subject matter expert

Power Prospecting Source #1: Existing Customers

It costs five times more to attract a new customer than to keep an existing customer. Jeff Bressler, “How Much to Spend to Acquire New Customers?” *CEO World Magazine*, May 13, 2009, <http://ceoworld.biz/ceo/2009/05/13/hto-much-to-spend-to-acquire-new-customers> (accessed June 10, 2009). So it stands to reason that your best new customers are your existing customers. Salespeople who make an effort to deliver excellent customer service during *and* after a sale know the secret that some of their best prospects are the customers they already have. To keep and develop your existing customers, love them, service them, be partners with them, live and breathe in their world, understand them, and anticipate their needs, and you will succeed in sales.

One of the keys to retaining your best customers is to keep in touch with your customers’ needs and update your solutions as their needs change. Say you work for a marketing company that offers a variety of services to businesses. One of your customers, a record company, is using your printing services, but they’re turning to another organization for their public relations needs. If you’re aware of this, your existing customer is now a prospect for additional sales. You might tell the record company, “You know, your current PR people are setting up events and concerts to increase your publicity, and that seems to be working only moderately well. If we were running your PR, we would integrate your events with a variety of other media. For instance, we think a blog would be a hugely effective tool....” If the company is already a loyal customer and you let them know that you are aware of their needs and can offer a better solution, then you may very well make a new sale.

Power Prospecting Source #2: Referrals

There's nothing more powerful than getting information about a product or service from a friend or people you trust before you buy. Think about the last time you bought a printer. You probably checked out the customer reviews on Amazon, asked your friends, checked out some blogs, and maybe even got some insights on Twitter (in 140 characters or less). Before you bought the Hewlett-Packard (HP) OfficeJet 6310, you knew exactly what to expect from people who have bought and used the product, and you learned that if you buy it at Office Depot, you get free shipping and two free ink cartridges. Although you never shopped at Office Depot before, you were sold before you even clicked "buy now" on the Office Depot's Web site. Imagine that you didn't even come in contact with HP or Office Depot. You made your purchase based solely on the information from others. The power of the referral cannot be underestimated.

Referrals and word-of-mouth advertising have always been one of the most effective—and cost-efficient—ways to get new customers. It used to be that the circle of referrals was limited to people who used your product or service in a given geographic area. The Internet has amplified that network, especially with user-generated content such as communities, blogs, customer ratings and reviews, and social networking sites. So as a salesperson, you have to think creatively about all of resources you have to generate referrals.

Seth Godin, best-selling author and entrepreneur, talks about "flipping the funnel." He challenges salespeople to think about turning the sales funnel on its side, thinking of it as a megaphone, and then handing the megaphone to those who already love you. He suggests that when many of your customers enter into the conversation on Web sites such as Digg, Flickr, and Delicious, the power of your message gets even stronger, and new referrals find you. Seth Godin, "How to Flip the Sales Funnel," video, *Selling Power*, <http://www.youtube.com/watch?v=McmEyr0oWew> (accessed June 9, 2009). Listen to Seth describe how your customers can be your best salespeople.

Video Clip

Seth Godin Interview

[\(click to see video\)](#)

Hear how flipping the funnel is the best way to get new customers.

Source: SellingPower.com

Want to see how it works? When Naked Pizza, a small takeout and delivery operation in New Orleans, decided they wanted to compete with the city's chain pizza places, they turned to their existing customer base for sales prospects by putting their Twitter address on every pizza box that went out the door. As Jeff, Randy, and Brock, the company's founders put it, "Even your most core customers must be continually and softly nudged." Jeff Leach, Randy Crochet, and Brock Fillinger, "How One Small Business Uses Twitter to Build Its Brand," *Advertising Age*, May 29, 2009, <http://adage.com> (accessed June 9, 2009). The prospecting effort has been a huge success with their existing customers posting tweets that have introduced the brand to new customers. The Twitter-enabled follow-ups allowed Naked Pizza to continue the conversation and ensure that a greater number of first-time buyers become repeat customers—and that *they* spread the word to more new customers. Talk about a megaphone!

Whether you sell pizza or insurance, if your existing customers are happy, they're usually happy to refer you to their friends, online or offline. Consider Flycaster & Company, a Florida-based branding and advertising agency for businesses. For a number of years now, almost 100 percent of the firm's new customers have been referred to them by friends and colleagues. According to John Spence, one of the company's managers, referrals are the "best possible" source of prospects for any B2B business. John Spence, "Seven Steps to Successful B2B Marketing," John Spence Blog, comment posted October 31, 2007, <http://johnspence.com/blog/?p=52> (accessed June 9, 2009).

So let your customers speak for you. Their voices will be heard by people you could never reach.

Power Prospecting Source #3: Networking and Social Networking

Networking works.

The art of networking, developing mutually beneficial relationships, can be a valuable prospecting tool, not only for retaining old prospects, but also for connecting with new ones. The larger and more diverse your network becomes, the bigger your pool of potential prospects. Your networking connections often become sources of referrals for your business, just as you will become a referral source for theirs.

If you're a member of the American Chemical Society and you work for a chemical supply company, you might use your membership to get acquainted with chemists who work at a variety of labs. You could offer them your card and let them know that you provide supply discounts for fellow Chemical Society members. Now these

prospects will be more likely to buy their chemical supplies from you than from a company or individual with whom they have no personal connection. If one of your customers needs a chemist with a particular specialty, you, in turn, will be able to refer him to someone in your network. Joining a professional trade association is one simple way to network with others in your field, or with prospects in your target industry.

If your business is location specific, joining community organizations can also be a valuable tool for connecting with local business leaders and prospects. Consider service organizations (like the Rotary Club), fraternity organizations, and other affinity groups that will allow you to build relationships with members of the community.

What about social networking? You're probably well acquainted with online social networking sites like Facebook or MySpace, but you may be less familiar with the ways people leverage these tools in a professional capacity. According to professional networking expert Clara Shih, online social networks can be an effective means of prospecting for sales with organizations. After all, the decision makers at any organization are *individuals* with whom you can build relationships (remember, you learned in [Chapter 3 "The Power of Building Relationships: Putting Adaptive Selling to Work"](#) that even though it's called business-to-business, buying decisions are made person-to-person, so relationships matter). Clara Shih, *The Facebook Era* (Upper Saddle River, NJ: Prentice Hall, 2009), 2. By connecting socially with key individuals, not only can you open lines of communications with potential customers, but you can also build your knowledge of your prospect base.

Professional networking sites like LinkedIn are increasingly important as well. (In fact, the *Selling U* section of this chapter includes information about how you can use professional social networking sites to help you network to find a job.) And there are many industry-specific networking sites you can join, like Sermo for doctors or INmobile.org for people in the wireless industry. Jessica E. Vascellaro, "Social Networking Goes Professional," *Wall Street Journal*, August 28, 2007, <http://online.wsj.com/article/SB118825239984310205.html> (accessed June 9, 2009). Your profile on professional networking sites becomes a tool for selling yourself as a brand. These sites allow you to list your education, professional experience, and testimonials from satisfied customers, and as you add contacts, you become connected to their contacts, allowing your network to grow. Clara Shih, *The Facebook Era* (Upper Saddle River, NJ: Prentice Hall, 2009), 2.

Link

This article includes examples of how some major companies are using Twitter to drive sales.

<http://www.sellingpower.com/content/newsletter/issue.php?pc=1007>

Power Prospecting Source #4: Business Directories in Print

Forget Google for a minute. It might surprise you to know that your local library can actually be a potential goldmine for finding prospects in B2B sales. If you spend even twenty minutes with a knowledgeable librarian, he can point you to business lists, journals, and business directories that will help you generate a pool of leads to contact. Your ideal customer profile is an important guiding tool here.

If you want customer information that's location specific, check out your local chamber of commerce listing. It's one of the best sources for finding local businesses. If the listing is not at the local library, chances are the librarian will have the contact information for the chamber office.

You can also review business lists and directories published by local newspapers and regional business journals. Local newspapers and their Web sites often provide listings of local businesses along with key information about the company. Also, the *Book of Lists* is published locally by the American City Business Journals in several cities—for example, the *Philadelphia Business Journal* publishes the *Book of Lists* for the Philadelphia, South Jersey, and Delaware area. It is a book that includes lists of companies organized by groupings. For instance, the fastest-growing companies, minority-owned businesses, and lists of companies by industry such as video production companies, health care companies, public relations agencies, law firms, and more are included with the contact information, profiles,

Figure 7.5



American City Business Journals publish the *Book of Lists* in cities across the country. The book includes lists of local companies by category including fastest-growing privately held companies, women-owned companies, nonprofit organizations, and more. The book is also available online at <http://www.bizjournals.com>.

Source: Philadelphia Business Journal, used with permission.

and key facts for specific businesses in your state or city. You can generally find these books at your local library, and they're an excellent source for digging up prospects that most closely match your ideal profile. Business lists are also published by other business journals such as *Crain's* in some key cities or are available online (also see Power Prospecting Source #6: Trade Journals and Business Journals below).

If you want to search businesses by industry, ask a reference librarian to help you look up the **North American Industry Classification System (NAICS)**¹⁵ code and the **Standard Industrial Classification (SIC)**¹⁶ code that most closely matches your ideal prospect's business—or access the indexes online, and bring the codes with you to the library. NAICS and SIC codes are numbering systems that classify businesses by their particular industry, so they can be valuable search criteria to mine general business directories (e.g., *Ward's Business Directory of U.S. Private and Public Companies*) for specific kinds of companies. For example, you could use the SIC code 6371 to find all businesses that deal with pension, health, and welfare funds. Occupational Health and Safety Administration, "SIC Search," United States Department of Labor, http://www.osha.gov/pls/imis/sic_manual.display?id=56&tab=group (accessed June 9, 2009). You can also search through *industry-specific* directories like the *Standard Directory of Advertisers*, and you can check out professional **trade associations**¹⁷ related to your prospect profile. These organizations, whose members all operate in a particular industry, are especially good places to look if your ideal prospect is a smaller business because smaller businesses and individuals are the most likely to join. Ask your librarian if she can access a copy of *Gale's Encyclopedia of Associations*, which lists more than 160,000 trade organizations. Finding a relevant association should be no problem, as you can find a professional organization for virtually any industry you can think of. Even the pecan shellers of America have a professional association! David Whitford, "Built by Association," *Inc.*, July 1994, <http://www.inc.com/magazine/19940701/3005.html> (accessed June 10, 2009).

15. System that classifies businesses by sector and industry. NAICS and SIC codes are helpful ways to search directories for businesses that fit your ideal prospect profile.

16. System that classifies businesses by sector and industry. NAICS and SIC codes are helpful ways to search directories for businesses that fit your ideal prospect profile.

17. An organization whose members are individuals or businesses that operate in a specific industry.

Power Prospecting Source #5: Online Databases and Directories

Going to the library can be hugely helpful because it gives you access to people who are pros at finding information. Also, the *added* perk is that your library will probably give you free access to several online business directories and databases. Boston Public Library, "Directories on the Internet," <http://www.bpl.org/research/kbb/websites/dirs.htm> (accessed February 15, 2010). Of course you can search these directories from the comfort of your own home or office, but if you want the deluxe package—the most up-to-date directories that cover industries of all types nationwide—you'll have to pay a price. Online business directories, such as those listed in the table below, are searchable by industry and will give you access to company contact info, number of employees, financial standing, industry

rankings, names of executives, and other company profile information. Most of these directories allow you to search businesses by SIC or NAICS codes.

So how do you know which business directory to use? For one thing, it helps to know whether your ideal prospect would be a private company or a public company or whether it could be either. Is your ideal prospect a large organization that attracts top executives? In this case, you'll mostly be searching for **public companies**¹⁸—companies that sell stocks and bonds to the general public. Public companies are required to file financial information and other company reports with the U.S. government, so these organizations are easier to find in general business directories, and their directory listings usually provide more detailed company information. Center for Business Research, "Public vs. Private Companies," Long Island University, <http://www2.liu.edu/cwis/cwp/library/cbr/publicvprivate.htm> (accessed June 10, 2009). However, not all large companies are publicly owned. State Farm Insurance and Cargill Foods, for example, are both private companies. "About Hoovers Handbook of Private Companies 2009," Hoovers, <http://images.hoovers.com/images/i/books/lookinside.pv2009.pdf> (accessed June 10, 2009). If you're only interested in smaller, local businesses, you will be dealing with **private companies**¹⁹, or companies that aren't owned by the public. In this case, some directories and databases will be more helpful to you than others.

Another thing to consider is whether you want the option to refine your search to include a number of criteria closely matching your ideal prospect profile. Several online databases allow you to input multiple search terms like location, company size, and minimum and maximum sales volumes.

Table 7.1 Online Databases and Directories for Prospecting

Database or Directory	Good source for private companies	Good source for public companies	Description
<p>infoUSA</p> <p>http://home.infousa.com</p>	✓	✓	<ul style="list-style-type: none"> • For B2B prospecting: Allows you to search for businesses by criteria such as industry, SIC, sales volume,

18. A company that sells stocks and bonds to the general public.

19.

Database or Directory	Good source for private companies	Good source for public companies	Description
			<p>and number of employees. Particularly useful for finding smaller companies. Their Web site offers a <u>video</u> with instructions on how to build a business list.</p> <ul style="list-style-type: none"> • For B2C: Provides phone and e-mail contact lists for consumers by criteria like income, geography, and/or interest. See their <u>instructional video</u> for more detail.
<p>Dialog http://www.dialog.com</p>	<p>✓</p>	<p>✓</p>	<ul style="list-style-type: none"> • Allows researchers to perform advanced searches based on a number of criteria, such as company

Database or Directory	Good source for private companies	Good source for public companies	Description
			<p>financial information, industry trends, and market research.</p> <ul style="list-style-type: none"> • Option for subscription to automatic news alerts that will keep you up-to-date on your target industries and prospects.
<p>Bizjournals</p> <p>http://www.bizjournals.com/bizjournals/sales_marketing/prospecting</p>	✓	✓	<ul style="list-style-type: none"> • Offers several directories that are searchable by industry. • Allows you to subscribe to company-specific and industry-specific e-mail alerts. • Option to create a customized prospect list by specific search criteria. • Provides access to local

Database or Directory	Good source for private companies	Good source for public companies	Description
			Books of Lists for location-specific company profiles.
<p>Hoovers</p> <p>http://www.hoovers.com</p>	✓	✓	<ul style="list-style-type: none"> • For B2B: Contains directories that are searchable by industry, region, and other characteristics; also provides detailed information about companies including address, phone number, key decision makers, financial data, business strategy, competitive information, and more. • For B2C: Provides phone and e-mail contact lists for

Database or Directory	Good source for private companies	Good source for public companies	Description
			<p>consumers by criteria like income, geography, and/or interest.</p>
<p>Standard & Poor's</p> <p>http://www.netadvantage.standardandpoors.com</p>	<p>✓</p>	<p>✓</p>	<ul style="list-style-type: none"> • Directory that is searchable by a number of criteria, including NAICS code. • Has data on more than 85,000 private companies. • Includes biographies of corporate executives and directors.
<p>D&B Million Dollar Database</p> <p>http://www.dnbmdd.com</p>	<p>✓</p>	<p>✓</p>	<ul style="list-style-type: none"> • Searchable by several criteria, including NAICS and SIC codes. • Option to create a customized prospect list

Database or Directory	Good source for private companies	Good source for public companies	Description
			by specific search criteria.
<p>D&B Prospector</p> <p>http://www.dnb.com/us/dbproducts/sales_marketing/find.html</p>	✓	✓	<ul style="list-style-type: none"> • Option to search using over thirty-five search criteria to create an ideal prospect profile as a search tool.
<p>Mergent Online</p> <p>http://www.mergentonline.com</p>	✓	✓	<ul style="list-style-type: none"> • Directory that includes domestic and international annual reports from 1996 to the present.
<p>Directory of Corporate Affiliations</p> <p>http://www.corporateaffiliations.com</p>	✓	✓	<ul style="list-style-type: none"> • Directories searchable by location, revenue, industry, NAICS and SIC codes, and so on. • Especially good for finding out

Database or Directory	Good source for private companies	Good source for public companies	Description
			<p>about key individuals in your target companies.</p> <ul style="list-style-type: none"> • Search tool for finding out about company relationships and outside vendor relationships.

Power Prospecting Source #6: Trade Publications and Business Journals

Figure 7.6



Business journals such as the Philadelphia Business Journal can be an excellent source of leads. Business journals for various cities are available at <http://www.bizjournals.com>.

Source: Philadelphia Business Journal, used with permission.

Where could you go to learn that three bottled beverage companies have recently lightened their package designs, that a new biodegradable shrink film is now on the market, and that the Pharmaceutical Packaging Forum has chosen a location for its next event? These definitely aren't top headlines on Yahoo! But to people in the packaging and packing materials industry, this is important news, and many of them use Web sites like Packworld.com to stay updated. **Trade publications**²⁰, journals geared toward people who work in a certain industry, and **trade Web sites**²¹ are good sources for netting prospects. For instance, if you work for a company that designs food and beverage packaging, and your department specializes in bottle design, you might read an article on Packworld.com and find out that Pepsi has released a new, eco-friendly bottle design for its Aquafina product that uses 50 percent less plastic than the 2002 version. "Beverage Bottles Lighten Up," Packworld, May 1, 2009, <http://www.packworld.com/news> (accessed June 10, 2009). You decide to make a call to some managers at competing companies like Fiji. You tell these prospects that you've read about their competitor's new bottle design and ask if they are interested in some packaging updates as well, which will help save on shipping costs and provide some good PR.

Many industry trade journals offer free e-mail newsletters or even free copies of the magazine. If you don't know the best trade journals to read in the industry in which you are interested, ask a professor. Your professor will be happy to show you copies of specific trade journals and the corresponding Web sites. It's a good idea to take the time to sign up for the free updates and check to see if the publication offers a free subscription to the magazine.

20. A publication (online or in print) targeted to professionals in a particular industry.
21. Web sites with content that is focused on a specific industry.
22. A publication offering business news and industry information that is usually specific to a certain region.
23. A gathering of resources for people in a particular industry or those who have a common interest in a topic.

But what if your ideal prospects aren't limited to a particular industry but *are* specific to a certain location? In this case, **business journals**²², which are often regionally published and offer business news and industry information for particular cities or states, will be helpful. Your local library will undoubtedly have a subscription to one, or even several, business journals for your region. Additionally, Bizjournals.com links you to the Web sites for forty regional business journals.

Power Prospecting Source #7: Trade Shows and Events

If you've ever been to a **trade show**²³ or expo, like a career fair or bridal show, you know they're a good place to find out about products and services about which you

might not otherwise be aware (and to get some fun free giveaways while you're at it). While most people who stop by a given booth at an expo might *not* be seriously interested prospects, trade show displays and product demonstrations generate enough strong leads to make this activity a worthwhile prospecting endeavor. For one thing, trade shows are industry-specific events that have the advantage of bringing your target market to you. If you are a horse breeder and you know that an estimated ten thousand visitors will attend the Horse World Expo in Syracuse, New York, you might decide it's worthwhile to go. Paige Palmateer, "Inaugural Horse World Expo Coming to Syracuse," *CNY Business Journal*, May 4, 2007, http://findarticles.com/p/articles/mi_qa3718/is_20070504/ai_n19304825/?tag=content;col1 (accessed June 10, 2009). You could look into giving a presentation about judging horse pedigrees, for instance, or maybe you will pay to set up a booth with videos and photos of the horses you breed and sell.

As a salesperson, you can use trade shows not only to present and demonstrate your products but also to identify and qualify prospects. Barton A. Weitz, Stephen B. Castleberry, and John F. Tanner, Jr., *Selling: Building Partnerships* (New York: McGraw-Hill Irwin, 2003). Asking a few specific questions can help you assess a prospect's needs and determine whether he has a genuine interest—as well as the resources—for buying. Trade show booths usually have a place for leads to enter their contact information so you can follow up with your prospects and save leads in your customer database. If you are a sales representative for a textbook company and you attend a faculty book fair at a large university, when professors stop by your booth, you might ask them which texts they are currently using and what they like or dislike about these books. This is a quick way to identify potential need. One professor might tell you she uses such-and-such a textbook, which is thorough, but her students don't find it very engaging. Aha! You have identified a need, and you now have a prospect. You might tell the professor about a textbook that covers similar information but uses a more conversational style and ask if she would like you to send her a complimentary copy. If she says yes, you now have an opportunity to take her contact information, and you have permission to follow up.

Power Prospecting Source #8: Advertising and Direct Marketing

When you think of "junk mail," you probably think about something you would normally throw in the trash. But have you ever received a direct-mail advertisement that you've actually considered, or even responded to? Maybe you're a member of the American Library Association, and someone has sent you an e-mail about an upcoming library conference in a nearby city because you opted in, or gave permission to receive information from the company. Or maybe a local real estate agent has sent out fliers to the residential areas in your zip code and you just happen to be thinking of selling your house.

As a sales professional, **direct marketing**²⁴, or communication in the form of direct mail or e-mail sent directly to your potential prospects, gives you the advantage of reaching a large pool of leads without having to invest the time to individually contact each one. Methods such as direct mail and e-mail allow your prospects to self-qualify since only the ones with genuine interest will follow up. On the flip side, direct mail yields a lower rate of return than most other methods: usually only about one to three percent. Tony Alessandra, “Direct Mail Prospecting,” Speakers Roundtable, <http://www.speakersroundtable.com/sales-training-tony11.html> (accessed February 15, 2010). Tony Alessandra, “Direct Mail Prospecting,” Speakers Roundtable, <http://www.speakersroundtable.com/sales-training-tony11.html> (accessed February 15, 2010). E-mail has similar response rates depending on the offer or communication. These methods can still be worth the investment, considering the relatively low inputs of time and money it takes to reach so many.

However, the time and money you *do* put into direct mailing or e-mail campaigns will be wasted if you send out your communications at random. There are three ways you can go about generating targeted mailing lists:

1. Every major city has organizations that specialize in mailing list research, allowing you to order up-to-date address lists organized by zip code, income, age, interests, or other characteristics that matter to you. For as little as \$25, you can get lists of up to a thousand prospects.
2. Many of the business directories and databases you read about earlier in this section provide e-mail and postal mailing addresses for businesses and private households based on specific criteria.
3. Professional salespeople also develop personal directories for their mailing lists. When you meet prospects, trade business cards with them. If these prospects pass your initial stages of qualification, you can add them to your personal list of mail recipients. Tony Alessandra, “Prospecting,” Assessment Business Center, http://www.assessmentbusinesscenter.com/media/articles/article_prospecting.pdf (accessed February 15, 2010).

Power Prospecting Source #9: Cold Calling

In the last ten years, Pat Cavanaugh, CEO of a Pittsburgh-based promotional products company, has grown his business 2,000 percent—and he’s done almost all of it through cold calling. **Cold calling**²⁵, or making an unsolicited phone call or visit to a prospective customer, can be quite effective for the salespeople who know the right approach, but it’s also most salespeople’s least favorite prospecting activity. For one thing, you never know whether the person on the other end of the line will be rude or hang up on you altogether. Additionally, most salespeople feel pressured to actually sell their product or make a pitch during a cold call, but

24. Communication in the form of mail or e-mail that is sent directly to a lead.

25. Making an unsolicited phone call or visit to a sales lead.

according to Cavanaugh, cold calling isn't about making sales; it's about establishing a connection with the prospect. Susan Greco, "The Nonstop, 24-7 CEO Salesman," *Inc.*, August 2000, <http://www.inc.com/magazine/20000801/19766.html> (accessed June 11, 2009).

According to Cavanaugh, it's essential to get the prospect to like you in the first thirty seconds. Susan Greco, "The Nonstop, 24-7 CEO Salesman," *Inc.*, August 2000, <http://www.inc.com/magazine/20000801/19766.html> (accessed June 11, 2009). While this may *sound* like it's putting a lot of pressure on you as the caller, you can actually think of it as a way of taking the pressure off. Remember, you don't have to sell your product during the call; the goal is only to make a positive connection. You don't have to lay the schmooze on either. Instead, be direct and sincere, and be yourself. Your prospect, who is probably very busy, will appreciate directness and brevity.

Hanzo Ng, CEO of the Malaysian company Sales Ninja, agrees. Ng says the goal of the cold call should be to find out whether your prospective buyer's needs match your solutions. If you know you can't help your lead solve her problems, you shouldn't pursue the call further. Hanzo Ng, "Prospecting, Cold Calling & Networking," *Malaysian Business*, October 1, 2008, http://findarticles.com/p/articles/mi_qn6207/is_20081001/ai_n30902653/?tag=content;col1 (accessed June 11, 2009). A cold call is a perfect way to find out at what stage the lead is in of his buying process. She might still be a lead for future sales, but at this time she isn't a qualified prospect. For that matter, if your lead seems unreceptive, you might also decide to end the call or to offer to try back at another time. Ultimately, it's important that your prospective buyer doesn't feel like she's being pressured in any way; people have come to expect pushy salesmen and saleswomen on the phone, and you want to set yourself apart from this perception.

If the lead *does* have a problem that you can address, you should go ahead and offer to make an appointment to meet in person. Again, there should be no pressure on either end; your prospect will accept an appointment if she is interested. If she doesn't agree to an appointment, don't try to press it. Sometimes, it may simply be a matter of timing: your prospect might ask you to call back in few months. In this case, get your calendar out and set up a *specific* time when you can try to call back. For instance, "Three months from now will be early March. Is it all right for me to try calling again then?" If she agrees, go a step further and ask something like this: "In the meantime, would it be OK if I sent you occasional updates by e-mail to let you know about new developments and promotions with our product?" This enables you to periodically follow up so that you maintain a connection with your lead. Keith Rosen, "Keep the Lines of Communication with Your Prospects Open," *AllBusiness*, <http://www.AllBusiness.com/sales/sales-management/4001387-1.html> (accessed June 11, 2009).

Finally, it's important to research your prospect before making a call. You should know the size and scope of the company, key people, company culture, and anything about the company that has recently come up in the news. Doing your research allows you to personalize your introduction. After explaining who you are, you might say, "I recently read in *Crain's Chicago Business* that your company's number one priority in the coming year is doubling revenues by increasing your sales force...." Doing your research and keeping a few simple tips in mind should take the pressure off in cold calling and give you the confidence to establish crucial prospect connections.

Power Prospecting Source #10: Be a Subject Matter Expert

Wouldn't it be great if, rather than going out to track down prospects, you could get your prospects to come to you? Presenting yourself as a **subject matter expert**²⁶, an authority in your field, is one secret for making this happen. CEO and consultant Keith Ferrazzi, started using this technique shortly after graduating from college. Even though he didn't have much experience under his belt as a new graduate, he picked an area and began researching until others in his industry came to know him as an expert and would go to him for consultation and advice. Set up a blog or write articles offering free advice. According to Ferrazzi, you should make a habit of writing and publishing articles in your industry. Keith Ferrazzi, "To Be Known, or Unknown," *Inc.*, <http://www.inc.com/resources/sales/articles/20061001/kferrazzi.html> (accessed June 11, 2009).

If you include your contact information and a brief bio on the page, then qualified prospects will often find you on their own. For instance, maybe you work for a company that sells résumé and cover letter consulting services for job seekers. You decide to write an article explaining "10 Things to Avoid When Dressing for a Job Interview," and you post the article on your blog and submit it to CollegeGrad, a Web site that publishes helpful blog posts like yours. You allow CollegeGrad to use your article for free in exchange for posting a link to your Web site in the margins of the Web page. Now when people perform a Google search on "dressing for a job interview," your article may come up, ensuring that a number of people who match your ideal prospect profile see the information about you and your product.

When generating B2B leads, you can often find prospects by offering Web-based seminars, or Webinars, with helpful advice on some aspect of marketing, or by publishing informative reports (**white papers**²⁷) that people can download for free. For instance, a marketing consulting firm might offer a white paper on "Increasing Your Open Rate on E-mails" that businesses can download for free as long as they register their information on the firm's Web page. Requiring users to register allows the firm to track contact information for new leads with whom they can then follow up by e-mail, cold call, or mail. Even better, if a lead finds that the free advice

26. Being an authority in a specific industry or topic.

27. An informative report that offers practical solutions to a specific problem.

they downloaded is useful, they will quite likely contact the firm voluntarily to find out about the marketing services they provide.

Organizing Your Prospect Information

If you've ever ordered shoes from Zappos, you might be aware that the company is known for its excellent customer service. But you might not know one of their secrets to achieving this: keeping detailed records of every interaction they have with a customer. These records are part of a **customer relationship management (CRM)**²⁸ system, the tools a company uses to record and organize their contacts with current and prospective customers. If you ever shop at Amazon, you'll notice the product suggestions that pop up on your screen when you log on. That's also an example of how CRM is used. "Making Customer Relationship Management Work," *Inc.*, 2001, <http://www.inc.com/articles/2001/07/23102.html> (accessed June 11, 2009).

Choosing a System

CRM software allows you to maintain relationships in a systematic way, following up more consistently with your leads and continuing to meet the needs of your existing customers. If the individual with whom you've been doing business at a particular company leaves, you should update that in your database and begin prospecting for another lead at the company. If you've recently mailed information to some of your leads, CRM software will help you keep track of which customers the mailing went to and how recently it went out, so you know when to follow up with those prospects by phone. You have a huge range of CRM programs from which to choose, and while these applications were once large-business luxuries, more recently there are versions that are priced within the reach of smaller businesses as well. Karen M. Kroll, "CRM: Software as a Customer Service," *Inc.*, 2007, <http://technology.inc.com/software/articles/200706/CRM.html> (accessed June 11, 2009).

28. The process a company uses to organize and track their current and potential customer information.

29. A system for tracking and organizing customer and prospect information that is less complex than CRM and doesn't necessarily keep a record of every customer contact.

On the other hand, depending on the type of sales and prospecting your company does, you may only need to use a **contact management system (CMS)**²⁹, a system that keeps track of your customer calls and meetings, which is usually less expensive than CRM software. CMS programs are another means of tracking and organizing customer and prospect information, but unlike CRM, CMS programs don't track all information about every customer interaction. If you are the only person from your organization dealing with a particular prospect (e.g., if you're a stockbroker or a real estate agent), you usually only need CMS software. The CMS will allow you to keep current contact and company information on your prospects and to record detailed notes about your conversations with them. But if your company uses multiple methods and/or multiple salespeople to communicate with

a prospect (think Zappos.com or Best Buy), then CRM will be a better tool so that each salesperson who interacts with the customer can record their interactions with that individual or company and so that your organization know how and when to follow up. Andrew Boyd and Alex Jeffries, “The Crucial Difference Between Contact Management and CRM,” *E-commerce Times*, January 29, 2009, <http://www.ecommercetimes.com/story/smb/65995.html?wlc=1244423929> (accessed June 11, 2009).

Gathering Intelligence

If you know your prospect is an eight-year-old online auction house with fifty-two employees operating out of Atlanta, that’s information—statistics you regularly update in your customer databases. These are facts that your competitors can also easily access using a simple online directory search. But what about the last time you visited your prospect in person? While waiting to meet with your contact, you overheard the receptionist talking about the complaints the company had been getting recently because of their confusing Web page layout. If you represent a Web design firm, that’s valuable information, and it’s news your competitor can’t access. In other words, it’s not just information, it’s *intelligence*. You can use this intelligence to your advantage when you put it together with other information. In this situation, assume you happen to know that one of the competing design firms in town just lost its best online retail specialist, while *your* company has two designers who have worked with similar online retailers in the past. So you know your company can address your prospect’s need in a unique way. Now you’re armed with *competitive intelligence*. Keeping your eyes and ears open for intelligence during every interaction is an important part of prospecting, and it’s particularly important to track the intelligence you gather in your customer databases. You never know when it might prove useful.

It’s also helpful to think about information that will help you make a personal connection to your prospect (remember from [Chapter 1 "The Power to Get What You Want in Life"](#) how important the emotional connection is). Your observations and information gathering should carry over to personal details like your prospect’s family, his birthday, or his hobbies. Include these insights as part of your organized records, too. It might seem strange at first to make a formal record of personal details, but keeping track of things like the name of your prospect’s two children sends the message that you care about the person, not just his business, and this in turn builds customer loyalty. Upscale hotels like the Four Seasons do this kind of customer relationship management particularly well. Receptionists and concierges track personal details of repeat customers, learning to greet them by name and ask about specific details from previous visits: “Did your sister like the gift you bought her last time you were here?” or “How was your recent trip to Japan?”

Keep It Up-to-Date

Things can change quickly in business, particularly at large companies. The account manager you spoke with last month may have moved to another company yesterday, or the purchasing agent who seemed excited about your product last year may have had to deal with significant budget cuts this year that prevent him from buying again. That's why it's crucial to keep your prospect information current. If your competitor sees an opportunity before you do, you're likely to lose yourself a prospect. And if the individual with whom you've been doing business at a company is no longer working there, it's important to find another key person to contact soon if you want to keep your customer.

Several online business directories (like those mentioned earlier) let you subscribe to customized alerts that will notify you when one of your target companies appears in the news, when there's turnover of key personnel, or when companies in your industry merge or split off. Most of the directory services have a fee, but there are a number of ways to stay current, on industry news at least, without paying. RSS (Really Simple Syndication) readers (Microsoft Outlook has one, and so does Google) allow you to subscribe to specific news feeds, like *The Hollywood Reporter* or *Advertising Age's* Web page, so that you can keep abreast of the news that affects your industry without having to go out and mine several Web pages every day. Google News Alerts (<http://google.com/alerts>) is a free service that sends you e-mail updates of the latest Google search results based on your choice of search criteria so you can keep current on your competitors and prospects.

Qualifying Your Prospects

After you've identified your prospects, it's important to understand that *all customers are not created equal*. Some customers are willing to form business partnerships and grow with you over time while others are just looking to do business with whoever offers the lowest price. Some prospects may never be able to help you or your company achieve your business goals, or their goals may not be strategically aligned with yours, even if you really like doing business with them. Choosing customers carefully will save you time and energy and help you meet your goals. You don't want to spend several hours writing up a proposal for one of your prospects only to find out they were never genuinely interested. Paul Cherry, *Questions That Sell: The Powerful Process of Discovering What Your Customer Really Wants* (New York: AMACOM, 2006), 37.

Think back to the sales funnel and the idea that you start out with a large pool of leads and end with a much smaller number of customers. While it is important to cast your nets broadly when you're rounding up leads, you'll work most effectively if you weed out the likely from the unlikely early on. You can qualify your leads to

determine whether they are legitimate prospects by discovering whether they have the *willingness* and the *ability* to make a purchase. Consider these five questions to help you meet your qualifying objectives:

- **Does your prospect have a need?** This is the most basic thing to figure out about your prospect. There is no use pursuing another individual in the company or delivering a persuasive presentation if there is nothing you can do for this person or organization. If you sell new cars, and your lead is satisfied with the car he bought three months ago, you don't have anything to offer him.
- **Does he or she have the authority to make the buying decision?** You can try to sell candy to a five-year-old, and he'll probably want to buy it, but unless you can convince his parents to make the purchase you don't have a sale. Similarly, your lead at a company may love your product and tell you it's exactly what her company needs. But if she isn't the person with the power to buy, she isn't a qualified prospect. This doesn't mean you should write the company off, but you'll have to figure out how to get in touch with the person who *can* make the buying decision.
- **Does he or she have the resources to purchase the product or service?** Sometimes knowing the answer to this question involves contacting the lead and asking some questions. Other times, you can figure this out by doing company research before ever getting in touch with the lead. You wouldn't have tried to make a major sale to Circuit City just before they went out of business because they wouldn't have had the resources to buy.
- **Does he or she have the willingness to purchase the product?** Even if your lead has the resources and authority to buy, he might not be interested in what you're selling. He might be dead set on a Caribbean cruise when you are selling packages to a ski resort.
- **Do you have access to the influencer or decision makers?** This is relatively straightforward in B2C sales, but in B2B, it can be hard. If you wanted to sell your clothing line to Macy's, you couldn't go downtown to your local branch and pitch your product. Large organizations have layers of personnel, and it's challenging to ferret out the people whose can influence the buying decision. Think about whether you *can* reasonably access these individuals.

Managing Your Prospect Base

So you've qualified your prospect and you have his or her information in your CRM system. It would be nice if that were all it took. But your CRM is only a way of tracking and organizing customer information; making an **action plan**³⁰, a specific

30. A specific method of approach for each customer.

plan of approach, for each customer is up to you. And you won't make any sales if you don't act.

After qualifying, you might have some prospects with a clear need, buying authority, and a fairly high level of interest, while others seem uncertain. If you classify your prospects as “hot,” “warm,” and “cold,” you can prioritize by devoting the most initial energy to your top potential customers. Derek Brown, “Growing and Managing Your Prospect Pipeline,” Coreconnex, February 2, 2009, <http://www.coreconnex.com/2009/02/04/growing-and-managing-your-prospect-pipeline> (accessed June 11, 2009). No two customers are alike. This means that even though you've qualified prospects A and B and determined that they *do* have needs you think you can meet, those needs will be different, possibly drastically so. It's a good idea to begin your action plan by conducting a careful needs analysis—that is, what specific problems is this prospect facing and how can my product help solve those problems?

Finally, think about the next steps in the sales process. Based on this customer's specific needs, how will you design your preapproach? What details should be in your presentation, when should you make your presentation, and how and when will you try to close? Develop a timeline and plot out the steps. If you can envision the sale, you are already halfway there.

KEY TAKEAWAYS

- Prospecting takes creativity and knowledge. You have to look for potential buyers in many places.
- Existing customers and referrals can be excellent sources of prospects because the customers are already familiar with your service and can speak on your behalf.
- Networking provides the opportunity to leverage your existing relationships to develop new leads.
- Business directories and databases (in print and online), trade publications, business journals, are all excellent sources to identify leads.
- **Trade shows** and events give you an opportunity to talk to prospects.
- Advertising and **direct marketing** provide a way to reach out to many prospects who may have an interest in your product or service.
- **Cold calling** is an opportunity to approach the prospect and learn more about how you can meet her needs.
- Being a **subject matter expert** can set you apart and help generate leads because of your expertise.
- Qualifying the lead includes identifying if the prospect is ready, willing, and able to make a purchasing decision about your product or service.

EXERCISES

1. Assume you are selling staffing services to banks and financial institutions. Identify three sources you would use to identify prospects.
2. Imagine that you sell real estate in your area. Discuss three ways referrals can find you.
3. Assume you are selling advertising. Identify three trade organizations that you might use as sources for leads.
4. Assume you are responsible for donations at a local nonprofit organization that provides services for battered women. You are looking for possible corporate sponsors for your shelter. Visit your campus library and review at least two of the databases or directories listed in this section and identify two leads from each one.
5. Assume you sell lumber to construction companies. How would you use a trade show to identify leads?

6. Identify the industry for each of the following NAICS codes. How would this information be helpful in prospecting?
 - 44
 - 62
 - 71
 - 54

7.4 *Selling U*: How to Use Prospecting Tools to Identify 25 Target Companies

LEARNING OBJECTIVE

1. Understand how to identify prospective employers.

If you've ever applied for a job or an internship, you know how frustrating it can be. You might scour the local paper or Craigslist for new postings, only to find one or two promising leads. This is especially true if you're applying during peak times (e.g., the beginning of summer, when all the students are looking for work at once) when you know that tens, maybe hundreds of others, are sending in applications for the same positions. The good news is that now that you know about prospecting and qualifying, you are in control of your job search and have the power to set yourself apart from your competitors.

Three Steps to Prospecting for the Right Employer

You don't have to limit yourself to a handful of job prospects. Once you know where to look, you'll be overwhelmed with the possibilities. There is no need to wait for your prospects to post job openings or to find your résumé somewhere and approach you; instead, you identify your "buyer" and approach them. Most job seekers look for advertised positions through Internet job sites, newspaper want ads, or employment agencies. This is a fair starting point, especially if some of your target companies have posted vacancies. But it's important to know that only about one-fifth of the jobs are actually advertised this way. Katherine Hansen and Randall Hansen, *Dynamic Cover Letters: How to Write the Letter That Gets You the Job* (Berkeley, CA: Ten Speed Press, 2001), 2. The other four out of five positions are never publicly announced; they might be filled internally, by networking (covered in [Chapter 3 "The Power of Building Relationships: Putting Adaptive Selling to Work"](#)), or through **cold-contact (or unsolicited) applications**³¹. This means that prospecting and qualifying potential employers (whether or not they are advertising for a position) is likely to yield good results, provided you do your research first.

31. Employment prospecting in which the applicant submits a cover letter and résumé even though a position has not been advertised.

If this sounds far-fetched—*What? You can send an application when there's no job posting?*—think about J. Crew. When the company has new merchandise, they send out a catalog. You don't usually request the catalog, but when it comes, if you like J. Crew's products, you'll take a look, and you might just buy. Just because a company hasn't posted a position doesn't mean there isn't a need. Let them know what you

have to offer. Kim Richmond, *Brand You*, 3rd ed. (Upper Saddle River, NJ: Pearson Prentice Hall, 2008), 140.

Step 1: Build Your Ideal Company Profile

If you could work for your dream company, what would it look like? Would it be a fast-paced, competitive environment with good opportunities for advancement? Would it be a creative organization where you could work collaboratively with like-minded individuals? Would it be a company that includes social responsibility as part of its mission statement? Would you work for a nonprofit, where you could see firsthand the difference you were making in the world? Just as you begin prospecting by building an ideal customer profile, Brian Carroll, “10 Lead Generating (Prospecting) Tips for Sales People,” B2B Lead Generation Blog, May 21, 2007, http://blog.startwithalead.com/weblog/2007/05/10_lead_generat.html#ixzz0GAhpeddB&B (accessed June 11, 2009). you should also prospect potential employers by visualizing your ideal work environment.

Consider not only the criteria that are most important to you (e.g., benefits, company values, advancement opportunities), but also location. Do you want to stay in a particular region of the country? Is it important that you live in or near a big city? Do you want to live somewhere with good outdoor recreation? Is there some other condition that matters to you? You’re free to choose. FindYourSpot.com is a resource that can help you with your location decision. You can also look at lists like Relocate-America’s Best Places to Live and then visit Salary.com (use the Cost of Living Wizard) to determine how much more or less it will cost you to live in your favorite location.

Finally, you should consider which employers will be interested in the skills you have to offer. But don’t sell yourself short here, either. Just as in prospecting you should never write off a lead without investigating it, *you should also never write off a lead in your job search*. If you can see how your skills would benefit a company, that company is a potential employer.

Essentially, there are three things to consider when you build your prospective employer profile:

1. What are the most important characteristics of your ideal company?
2. In which location would you most like to live?
3. Which companies might be interested in the skills you have to offer in return?

You can use all these factors as guidelines to generate a list of target companies. Building the ideal company profile isn't about saying "wouldn't it be nice if...." Instead, it's about empowering you to go out and find the employer for whom you want to work.

Step 2: Make a List of 25 Target Companies

So how many companies should you consider? Definitely more than the four or five that have recently posted ads in your local paper. Think about the sales funnel model: cast your net broadly to begin, but after some qualifying research, you should have a list of at least twenty-five prospects you'd like to target. Don't define your targets too narrowly. For instance, if you're going into accounting, consider service providers (accounting firms), but also consider companies that have an accounting department and recruiting firms that are interested in people with your skills. Kim Richmond, *Brand You*, 3rd ed. (Upper Saddle River, NJ: Pearson Prentice Hall, 2008), 140.

Twenty-five prospects is a good rule of thumb for the top of your funnel because it doesn't leave you with so many that you will overwhelm yourself with research and applications, but it is enough to allow for the fact that some prospects will drop out along the way. After additional research and contact with your prospects, you will find that some don't meet your qualifications after all. Some companies in turn might not be willing to give you an interview; others might give you an interview, and even hang onto your résumé, but will tell you they don't have any openings at the moment. Others might give you an interview but decide your qualifications aren't what they are looking for. Even as the funnel narrows, an initial pool of twenty-five prospects should leave you with a number of companies that are interested in you and in whom you are also interested. Just as you learned earlier in this chapter, prospecting is never ending so you should always be adding new qualified prospects to your target company list.

Finally, it is critical that as you define your prospects and perform your research, you keep records. Think about the contact management systems businesses use to organize and track their prospects. While you don't need such a complex system for a job search, taking notes on Post-its or scraps of paper that you *might* or *might not* find later on, or trying to commit details to memory, will sabotage your hard work. You can use a simple spreadsheet in Excel to organize and track prospective employer information. Even if you don't consider yourself an organized person, if you use a simple tool like this one, you have the ability to keep your job search organized—and make your life much easier.

Step 3: Forget about “To Whom It May Concern”

If you ever get mail addressed to “Resident at (your address),” you know that these are the letters that end up straight in the trash. If someone can’t be bothered to find out your name, you won’t bother yourself to read their mail. The same is true with your job search: keep in mind that *people*, not organizations or departments, are ultimately responsible for hiring. So it’s essential to find key individuals at each company, especially when you’re sending out cold-contact cover letters and résumés. You want to make sure your letters actually get read, and if you open your letter with a general, impersonal address, it immediately sends the message that you don’t care enough to learn about the company and its people—more likely than not, your letter will end up in the recycle bin. Katherine Hansen and Randall Hansen, *Dynamic Cover Letters: How to Write the Letter That Gets You the Job* (Berkeley, CA: Ten Speed Press, 2001), 4.

On the other hand, a little knowledge can go a long way. If a letter with the hiring manager’s name on it comes across his desk, he isn’t likely to ignore it. The best thing to do is begin with the company’s general number listed on their Web site (or in a directory or phone book) and ask the receptionist for the name, contact info, and title for the hiring manager in your field. If the receptionist gives you the name of the human resources manager, be persistent until you get the name of either the hiring manager, the head of your targeted department, or the company president (if it is a smaller organization). Especially if a company hasn’t announced that they are hiring, sending a letter to human resources means that your hiring manager—who might very well be interested in what you have to offer—will probably never receive your application. If calling the company’s general number doesn’t get you the contact information you need, the directory of [Corporate Affiliations](#) is an online source where you can find contact information for the key individuals in many companies.

You've Got the Power: Tips for Your Job Search

Every Company Should Get More than One

You might think that you should send only one letter to each company. Don't stop there! Increase your chances of getting a call by sending as many letters as possible to appropriate hiring managers at each company. For example, if you are applying to an advertising agency for a position in account management, send a letter to the agency president, vice president of account services, account directors, account supervisors, even account executives. Don't be afraid to send your letter to people like the president or vice president. Often times they will pass it along to the hiring manager and ask him to follow up with you. Kim Richmond, *Brand You*, 3rd ed. (Upper Saddle River, NJ: Pearson Prentice Hall, 2008), 140.

Sources for Prospecting: How to Identify Your Target Companies

So how do you go about finding prospective employers? The task may seem overwhelming, but there is a wealth of resources to help you once you've asked yourself some questions to help guide your search. You can start by choosing the specific area of your field you'd like to focus on. "Do the Research That Supports Your Job Search," *The Riley Guide*, May 2009, <http://rileyguide.com/jsresearch.html#r201> (accessed June 11, 2009). For instance, an environmental designer might choose to specialize in sustainability issues, health care environments, or the design of retail spaces. Your prospects should be the companies who hire people with your skill set and particular focus.

A number of good online business databases can get you started here; many are the same directories and databases you would use to find prospective buyers for your products (see the previous section). Keep in mind that while many of these databases charge a fee for their services, your local or school library should have free subscriptions. Directories are good resources for finding industry-specific companies (e.g., accounting firms if you're an accountant). But since you want to keep your search open to several kinds of companies, try using a combination of prospecting sources.

Many sources you would use for prospecting potential customers are also good sources for finding employment prospects. You can try membership lists for professional organizations, such as the American Marketing Association or the American Institute of Architects. It's especially helpful to look for local chapters or organizations in the city in which you would like to work. For example, at the Philly Ad Club's Web site, you can find a list of over one hundred advertising agencies in the region. Trade publications and trade Web sites are good sources for industry and employment information as well—as are business journals and business journal Web sites. Just as you might subscribe to an RSS (Really Simple Syndication) feed or Google News Alerts to stay up-to-date on your leads and competitors in business prospecting, you can do the same when prospecting for employers by subscribing to feeds for trade Web sites or business journals. Again, don't underestimate the effectiveness of going to your local library. Ask your librarian to point you to some business lists, journals, and directories and take advantage of their free online subscriptions.

Figure 7.7



Local business journals, like the Philadelphia Business Journal, can be found online at <http://www.bizjournals.com>. Find the business journal for forty different cities by using the drop down menu at the top. Enter “book of lists” in the search box and find the link for the Book of Lists for all sixty-six markets.

Source: Philadelphia Business Journal, used with permission.

Table 7.2 Sources for Finding Your Target Companies

Business Directories and Databases	
Riley Guide http://rileyguide.com/careers.html	This Web site is loaded with information on job searching, and it provides a customized Google search to help you identify target employers. Best of all, it's free.
Hoovers http://www.hoovers.com	The site allows you to search by industry and geography. It also provides the name of the top companies in an industry segment.
Advertising Redbooks	The Web site contains information on over 20,000 advertising companies. This is an excellent source if you're considering work in advertising or marketing.

Business Directories and Databases	
http://www.redbooks.com	
Business Lists	
<i>Book of Lists</i>	Published in most major cities by American City Business Journals, these have contact information, company profiles, and key facts for specific employers in your targeted region. Most libraries have a hard copy available at no charge.
Bizjournals http://www.bizjournals.com/bookoflists	The site links you to the <i>Book of Lists</i> for 40 U.S. cities (for a fee).
“Best of” and “Top” Lists	<u>Top Entry Level Employers</u> , <u>Fortune 100 Best Companies to Work For</u> , <u>The Fastest-Growing Technology Companies</u> , and <u>The Best Places to Launch a Career</u> are some examples. Check local publications as well as national publications such as <i>BusinessWeek</i> , http://www.businessweek.com/managing/career , and <i>Fortune</i> , http://money.cnn.com/magazines/fortune/management .
Professional Membership Organizations	
Local Professional Organizations	Location and industry specific: Use your local online resources to identify local organizations. For example, http://www.iloveseattle.org includes a listing of local professional organizations for multiple industries.
National Professional Organizations http://www.associationjobboards.org	The Web site includes a listing of many professional organizations. Also, check out the Web sites of national organizations; many include links to local chapters. For example, http://www.smei.org , the home page for Sales and Marketing Executives International includes a link to local chapters.

Business Directories and Databases	
Trade Journals and Web Sites	These often have listings for the top companies in their industry.

Keep your ideal employer profile in mind as you generate leads. If you know the region or some specific cities in which you'd like to live, that can help refine your search because many directories are searchable by state or city. If you want to find a company with specific characteristics, business lists are good sources for prospects. For instance, if family-friendly companies are a priority, you could search *Working Mother's* list of "100 Best Companies," or if you want a workplace with young employees that offers good training and opportunities for advancement, you might search [CollegeGrad.com's list of "Top Entry Level Employers."](#) *Fortune* publishes an annual list of the top one hundred companies to work for overall (<http://money.cnn.com/magazines/fortune/bestcompanies/2009>), and they also provide top company lists by state, if you are considering a particular region of the country. Of course, the "Fastest-Growing Companies" list in national and local business publications is always a good reference with which to start.

Qualifying Prospective Employers: Four Things to Consider

After doing industry research, you might have a fairly large list of potential companies, but you can narrow it down to your twenty-five targets by doing more directed research on each of your prospects.

Company Web Sites

According to Amazon's Web site, the company defines itself as technologically innovative, customer-centric, and a global leader in e-commerce. If you were to browse the Safeco Insurance Web site, you would find a company that describes their core values as diversity and an inclusive work environment, community outreach and sponsorship, and service that reaches a broad customer base. Any company's Web site will give you insight into how the company presents itself: their mission and values, the benefits of the products and services they offer, and the culture they want to cultivate. The design of the Web site itself can tell you something about the company. Are they conservative or cutting edge and creative? Is the page well organized and well maintained, or is it convoluted and difficult to navigate? Additionally, even if you plan to cold-contact an employer, the company's [career page](#) will let you know if the organization has any advertised vacancies.

Insider Perspectives

The Web site lets you know what the *company* wants you to know about itself. But what about what other people are saying about a company? That's certainly something that you'll want to find out. Some Web sites, like Vault or WetFeet, offer honest, insider profiles of companies based on employee surveys about things like company culture, dress code, diversity, hours, vacation time, and opportunities for advancement. Does the company have a relaxed atmosphere? Do they expect employees to work long hours? These are things that the company Web site itself won't tell you.

Company News

It's also a good idea to check the news for the latest on what's happening in a company. While companies promote their own good news, the media picks up everything in between. For instance, when the MGM Mirage corporation was facing massive debt and the possible failure of its extravagant City Center construction project, the news hit major papers across the country. But if you had gone to the company's Web site or checked their press releases, you would have found announcements about "cost savings," followed by praise for the scope and incredible amenities of the Mirage's construction project—clearly a very different picture. To get company news, you can search national news sites for archived articles, or if you want to learn about a smaller, localized company, try searching local newspapers. It's also a good idea to set up Google News Alerts or subscribe to RSS feeds for your field of interest (see the more detailed explanation in the previous chapter goal) so that you are constantly updating your intelligence, just as you would for a prospective buyer.

Company Stats

Finally, when qualifying prospective companies, there are a handful of other things to consider. How does the company measure up against its competitors? How large is the company? Is it profitable? For *public companies* you can use databases like D&B and Hoovers to research stock prices, quarterly earnings, and senior management changes. You can access this information on multiple companies at a time by taking advantage of free database subscriptions at your local library, or you can go to individual company Web sites to gather stats. Publicly held companies usually post recordings of quarterly conference calls with analysts on their Web sites in the investor relations section.

While you won't be able to research stock prices or quarterly earnings on *private companies*, you can still find out about personnel turnover using most online databases. Ask yourself how this turnover might affect the way business is

conducted and check the Better Business Bureau (BBB) to find out if any complaints have been lodged against the company. Finding an employer that closely matches your ideal profile is well within your power, if you consider yourself—your unique brand—as a solution that can meet a prospective employer’s needs. The prospects are out there just waiting to be identified.

KEY TAKEAWAYS

- To get the job you want you need to prospect to find prospective employers.
- It’s best to create a list of twenty-five target companies for which you would like to work.
- Do your prospecting thoroughly to identify not only the companies but also multiple hiring managers at each company.
- You can use the same tools to identify your target companies that you use to identify sales prospects.
- Qualify your employment leads with additional research about the company from the company Web site, insider perspectives, company news, and company stats.

EXERCISES

1. Create your ideal prospective employer profile using the following points:
 - What are the most important characteristics of your ideal company?
 - In which location would you most like to live?
 - Which companies might be interested in the skills you have to offer in return?
2. Discuss how the sales funnel applies to your job search.
3. Visit your campus library and meet with the librarian to learn about the databases, directories, or business lists that are available for your job search. Use at least two different sources to identify target companies (hint: the *Book of Lists* is available in many cities and provides a list of top companies in several categories).
4. Using the list you created in Exercise 3, conduct further research about each company and identify at least three hiring managers to whom you can send your résumé and cover letter.

7.5 Review and Practice

Power Wrap-Up

Now that you have read this chapter, you should be able to understand the seven steps of the selling process and how to identify and qualify sales prospects.

- You can **list** the seven steps of the selling process and how they work.
- You can **understand** the vital role of prospecting in the selling process.
- You can **compare and contrast** the difference between a lead and a prospect.
- You can **discuss** the role of the sales funnel.
- You can **identify** ten prospecting sources.
- You can **understand** how to qualify leads to become prospects.
- You can **apply** the tools of prospecting to your job search.

TEST YOUR POWER KNOWLEDGE (ANSWERS ARE BELOW)

1. List the seven steps of the selling process.
2. Why do salespeople qualify their leads before they call on them?
3. When a customer says, “It’s too expensive,” that’s an example of which step in the selling process?
4. True or false: After the sale is made, the salesperson’s job is done.
5. Why is prospecting considered the foundation of the selling process?
6. Describe the sales funnel.
7. Describe the difference between a lead and a prospect.
8. Identify at least three business directories or databases that you can use to identify prospects.
9. Identify three business journals that can be used for prospecting.
10. Why is cold calling effective for prospecting?
11. What is a subject matter expert? How can being a subject matter expert help you prospect for leads?

POWER (ROLE) PLAY

Now it's time to put what you've learned into practice. Following are two roles that are involved in the same selling situation—one role is the customer, and the other is the salesperson. This will give you the opportunity to think about this selling situation from the point of view of both the customer and the salesperson.

Read each role carefully along with the discussion questions. Then, be prepared to play either of the roles in class using the concepts covered in this chapter. You may be asked to discuss the roles and do a role-play in groups or individually.

Count on Me

Role: Controller

You are the controller of a paper company. You currently have an internal accounting department, but since your company is growing so quickly, you are considering using an accounting services company to supplement the internal department. You met a sales rep from AccountSource at the last trade show, and their services sounded like what you need at your company.

- What do you expect the sales rep to know about you and your business when she calls you?
- What do you want to know about AccountSource and the sales rep when she calls?
- What will convince you to agree to meet with the sales rep?

Role: Sales rep for AccountSource

You are prospecting for new customers because your sales goals have increased and you need to expand into new areas. You met the controller from a paper company at the latest trade show, and you think this could be a good lead. You have some questions that you would like to ask the controller to see if this is a qualified lead.

- Will you conduct research before you call the lead or after?
- What research, if any, will you do?
- What questions will you ask the controller?
- How will you qualify this lead?

PUT YOUR POWER TO WORK: SELLING U ACTIVITIES

1. Visit your campus career center to learn about prospective target companies, especially those that interview on campus. Do research on the companies including the names of hiring managers in the department in which you may want to work.
2. Create your complete list of twenty-five target companies including at least three hiring managers at each company.

TEST YOUR POWER KNOWLEDGE ANSWERS

1. Prospecting and qualifying, preapproach, approach, presentation, handling objections, closing the sale, and follow-up.
2. Qualifying helps save time so you don't waste time calling on people who don't have the time, money, or authority to purchase your product or service.
3. Handling objections.
4. False. The salesperson's job really begins when the sale is closed.
5. When prospecting is done correctly, the other steps in the selling process build upon it.
6. The sales funnel is a helpful way to visualize the process of finding and qualifying new prospects and ultimately converting them to customers. Not all leads become prospects, and not all prospects become customers.
7. A lead is a qualified prospect.
8. There are several databases and directories, including Directory of Corporate Affiliations, Hoovers, and D&B Million Dollar Database.
9. There are several business journals including *Wall Street Journal*, *Business Journals* (by city), *Crain* (by major city).
10. Cold calling gives you an opportunity to talk to the prospect and learn more about his goals and how you can add value.
11. Subject matter experts are people who are authorities in their field. Subject matter experts share their knowledge at trade shows, at industry events, on blogs, and in other online communities and social networks. Being a subject matter expert helps establish you as being a leader in a particular area. Prospects usually want to learn more from and do business with subject matter experts.