

# PST Growth Advisor

*For the Commercial Vehicle Industry*

## Focus On the Sales Process

**Sales Leaders are asking.... How do I put more money into my pocket (and the dealership's bank account)?**

To paraphrase that old political cliché.... “It’s all about the **process**.” In times like these, you want to capitalize on every lead that comes your way. If you don’t close a lead, it’s important to know why so you can keep the scenario from repeating. If you’re trying to coach sales people, or to decide who should go or stay, it’s important to know their strengths and weakness as salespeople.

### **Why an Effective Sales Process is Critical**

Within a typical group of sales people, you will find a small number of people who are really good, a larger number who are competent performers, and a smaller number who should find a new job. You will also find if you ask them – every one of them has a full book of business that is likely to close in the next 30 days. Sales reporting tends to paint such a rosy picture. The true measure of a sales person’s ability is to count the actual sales represented by dollars in the door.

If you take a good look at the sales people who are ranked average or above, you’ll find there is inevitably a sales process underlying their successful sales. A sales process is a series of steps that march a raw sales lead down the path to a successful sale. Not every lead will become a sale, but every sale will result in certain steps being accomplished before a prospect buys.

A critical component of any marketing and lead generation program is a process to effectively disseminate and track leads through the sales process. Many dealerships don’t have an efficient system in place to route the leads and determine their status. Yet it’s this kind of tracking that measures sales and marketing results against program objectives and ultimately calculates program ROI. Sales processes rely on anecdotal feedback from sales reps. The statement, “These leads are a waste of time,” often results in the sales VP scrapping the campaign prematurely. Starting and stopping campaigns is time-consuming and costly.

Identifying the sales process that meets your customer’s needs, then, provides three advantages: (1) it provides a plan of attack for your sales people to follow, (2) it allows sales management to identify and guide the progress of the sales efforts, and (3) it provides dealership management with information that can predict the probability of success and allow management to adjust course as needed.

A sales process is a systematic approach for performing product or service sales. The reasons for having a sales process include seller and buyer risk management, standardized customer interaction in sales, and scalable revenue generation.

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### **Sales Process Steps**

Specific steps or stages in a sales process vary from company to company but generally include the following steps:

#### **Sales lead conversion to sales prospect**

A sales lead is the identity of a person or company potentially interested in purchasing a product or service from you or a competitor, and represents the first stage of a sales process. For a sales lead to qualify as a prospect, qualification must be performed and evaluated. Typically this involves identifying by direct interrogation the lead's product applicability, availability of funding, and time frame for purchase. This is also the entry point of a sales tunnel, sales funnel or sales pipeline.

Once a qualified lead exists, additional operations may be performed such as background research on the lead's employer, general market of the lead, contact information beyond that provided initially, or other information useful for contacting and evaluating a lead for elevation to prospect (which is the next sales step).

In general terms, sales professionals need to know a set of discrete data in order to determine whether or not the "prospect" will become qualified. These variables may include: business needs, whether they are a decision maker, if they have money or budget, and, again, when the purchase needs to be made.

#### **Need identification**

At this stage the salesperson takes the now qualified prospect through a series of question and answer sessions in order to identify the requirements of the prospect. During this step, the salesperson will attempt to help the buyer identify and quantify a business need between where the client is today and where they would like to be in the future. Based on the answers, needs can be clarified to determine if the solution will fill all or part of the overall gap.

From this procedure, the salesperson gathers the information needed to formulate a proposal for various products/services that will meet the need as presented by the prospect.

#### **Proposal/quote**

A proposal or quote is an offering from a seller to a prospective buyer. Proposals can range in size from a one-page letter, or price list, to several pages of detailed specifications. In the sales process, the written proposal outlines the terms of an agreement between buyer and seller, and forms the basis for a purchase agreement. When a proposed offer is accepted by the buyer, it creates a legally binding document for both parties (buyer and seller).

A properly accomplished proposal or quote will put the buyer's requirements into a context that favors what the seller is offering to sell. It also should educate the prospect about the full nature of his or her needs and the capabilities of the seller in satisfying those needs. Often, a prospect may be aware of only a portion of his needs, or he may be unaware of what the market has to offer to meet his needs. A successful proposal is one that results in a sale, where both parties get what they want.

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### **Negotiations**

In many sales situations, the process of selling can take several weeks, or even months, to complete. In some cases, offers and counteroffers will go back and forth. The proposal provides a formal way for both sides to communicate in writing during these negotiations.

### **Commitment to buy/closing**

In sales, the term closing is used to define achieving the desired outcome, or the termination of that process. The sales process can be closed and won, or closed and lost. Some sales processes also include a “closed/no decision” to represent the conclusion of a sales process where no decision was made by the buyer.

### **Delivery to user/order fulfillment**

This last sales process step is a critical one. The deal is not completed until the product or service is delivered and the revenue changes hands. Handled poorly, the order may be lost, or a feeling of distrust and dissatisfaction can be generated. In either case, the prospect may be lost for the future. Conversely, a well-delivered deal may spark another deal in the near future as well as referrals to other prospects.

### **Sales Process Advantages**

From a seller's point of view, following a sales process allows the sales person or management to more quickly identify stalled prospects. In this case, a plan to remove the stall or a decision to redirect resources will help make the most from limited sales resources.

Some dealerships tend to break the 6 steps listed above into many more steps. That's fine. There is no set rule about the number of steps. As long as the division is workable and provides logical progress judgment points. Some of the steps may even be done quickly or concurrent with others. Often a bad sales experience can be analyzed and shown to have skipped key steps. This is where a good sales process mediates risk for both buyer and seller.

A solid sales process also has the dramatic impact of forecasting accuracy and predictability in revenue results.