

## **Pipeline Management: Make Sure What You're Chasing Is Worth Catching**

*By Richard Ruff*

In a 2011 survey by the Sales Executive Council, researchers reported this interesting trend: "Across the board sales people are getting decreased access to potential customers." In fact, sales people report that time spent in front of customers decreased 26% compared to three years prior. This trend has a number of drivers and several important implications.

One implication is that if it's tougher to get in front of customers, you better make extra sure you're pursuing the right ones. This means the spotlight on the age-old topic of lead qualification just got a little brighter.

Since lead qualification best practices tend to be somewhat specific to the type of sale, let's focus on the major B2B sale (we thank our colleague Mike Smith of Ohio State University for his contribution to this discussion). Lead qualification has two components. First, it is important to determine "priority" - how high is the opportunity on the list for funding? The second consideration is "fit" - to what degree are the customer's specifications and preferences for the opportunity aligned with your capabilities? Let's explore both components.

### **Determining Priority**

Finding out information about funding can be difficult, but in the end it is absolutely necessary. The first step is to remember it is okay to ask about funding. Second, it is important to make sure you are talking with someone who knows the answer to the funding questions, so you don't get poor information or end up asking the same questions again and again to different people. So, keep in mind:

- If funding has been identified, asking questions about their estimated budget is fair and can yield beneficial results. It helps you competitively and it can enable you to continue to shape thinking about a realistic price if the customer does not understand the reasonable project cost.
- If funding has not been identified, there is an opportunity to help the customer seek the right amount by carefully determining the estimated cost and pre-selling them on that amount.

### **Identifying fit**

Fit is a two-way street. You must objectively determine the degree of fit between the customer's specifications and preferences, and your capabilities. You also must obtain the customer's perception of that fit. In analyzing the alignment of those two points of view, some noteworthy best practices are:

- Get a sense of clarity and priority of the various aspect of the solution. The customer's specifications and preferences can be very concrete (e.g., the extent of experience) or highly difficult to define (e.g., capability for innovation). It is important to develop a shared view of the meaning of the criteria and get a sense of the relative priority in regard to importance. Only after getting clarity can you assess the degree of fit.

It may also be true that you see a need not yet recognized by the customer, so gaining clarity can also be about helping the customer develop an awareness of that need by helping them understand related goals that can be achieved.

- Check the customer's perception of your capabilities. This best practice seems straightforward. Unfortunately, it frequently is not followed. The customer may have a history with you and therefore know a lot about your capabilities. But any particular person making a judgment about a particular capability may have a less than accurate assessment. It is important to find out the customer's view and if, in fact, that view is not objectively accurate, then you need to correct the misperception – and this is important for both the customer and for you.
- Recognize when shaping a customer perception is legitimate. There are times when it is legitimate to help a customer change their point of view. The just noted misperception about a capability is one example.
- Another example is when a customer has deemed a particular specification to be extremely important and you have reason to believe this priority is misplaced. This, of course, is a road to be walked with care. If the customer would end up making a better decision if they changed their assessment, then that brings value to the customer and that's legitimate. Obviously, it is not legitimate if the viewpoint shift is strictly in your self-interest.

When it comes to developing a high performance sales team, a number of topics deserve attention: how to ask questions and how to handle objections are two good examples. Another competency that's important is getting smart about lead qualification. It's better than a 50% bet that spending more time in sales training and coaching on getting better at lead qualification will lead to improve revenue results.

### ***About the Author***

*For more than 30 years Dr. Richard Ruff and Dr. Janet Spierer - the founders of Sales Horizons - have worked with the Fortune 1000 to design and develop sales training programs that make a difference. By working with market leaders - such as UPS, Canon USA, Smith & Nephew, Boston Scientific, Xerox, Owens & Minor - we have learned that today's standard for a great sales force significantly differs from yesterday's picture. Sales Horizons offers companies a new generation of proven sales training programs designed with Fortune 1000 companies... that you can deliver, modify, and brand to your organization. And the one-time license fee is compatible with today's economic realities. To learn more about how Sales Horizons helps companies achieve sales success, visit our web site at <http://www.saleshorizons.com> or visit our blog at <http://www.salestrainingconnection.com/>.*

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