

Sales Xsellence

(An Xsell publication)

Filling your sales pipeline with leads

When I was a child, collecting shells on the beach was an adventure. I would count the sleeps before the big day and would wait in anticipation to get to the beach and find shells I didn't already have in my collection. As a child of course, time seemed to move a lot slower. When the day arrived, the adventure started as soon as I got out of bed. Ready for the day ahead, I would be excited, full of energy and eager to get out the door and down to the beach. I would be excited not about the shells I already had in my collection, rather, those that I didn't. I wonder how many sales people see prospecting for new clients as the adventure that it is?

Sales people can very easily focus on the easy sales through their current customers / clients, rather than focusing on their prospective clients to fill the pipeline. I'm not saying that sales people shouldn't look after their customers, far from it. What I am suggesting is that as sales people, we need to continually build our sales pipeline so as to continue to grow our base.

Your sales pipeline is what produces growth to your client base. If you need more clients you need more leads. So .. how many leads do you need? The number of leads that you require is really a simple mathematics formula. The formula consists of your sales targets, the average dollar/unit sale and the time required to bring in new clients.

An example to illustrate this formula: Your current target is **\$125,000** per month. Currently you have **150** clients, each giving you an average of **\$830** per order. From previous experience you know that a new client takes on average **4 weeks** to make a decision to buy. Your conversion ratio to new customers is **50%**. Your sales manager increases your target to **\$175,000** per month. Every month you now have to find another **\$50,000**. Based on your average sale of \$830, you need **60 new clients**. In your pipeline, you now need **120 new clients** of which you will close **50%**. You also know that on average it takes 4 weeks for a new client to give you an order. Now we can start to fill the pipeline. Over a 4

week period, you will need to see **30 new clients per week**.

Where sales pipelines fall apart is in a lack of understanding of conversions.

10 TIPS TO PROSPECTING

1. Network. Explore networking opportunities and be an expert networker. Know what to do prior to the networking event, at the event and after the event. Attend at least three networking functions a month.
2. Set up a referral system. Encourage your present clients to refer new business.
3. Keep tabs on client movement. Some of your clients will move to other industries. Keep a "tab" on where people are going and go with them.
4. Explore vertical markets. Take one segment of your customer base and drill down to similar businesses. Concentrate on taking market share.
5. Use the newspaper to keep yourself informed of changes in markets.
6. Cold call and set appointments to see prospective clients. I know everybody hates this one, however, it is one that works.
7. Increase traffic to your website.
8. You need to be able to "touch" your clients seven times through the process of prospecting. For this to be effective, it needs to be varied (i.e. phone calls, emails, brochures etc.)
9. Have a system that enables you to monitor and gauge where your prospects are in the pipeline.
10. FINALLY, remember that client behaviour varies. Not all of your prospects are going to buy today. This is where as a sales person, persistence is required.

HAPPY HUNTING!

- Anna Zammit

Stop Press!

Fill your pipeline with new leads ...

Xsell are working on some not-to-be-missed new networking events. The framework for these events is purely giving people the opportunity to meet with people who they can do business with.

Here at Xsell we are firm believers in the benefits of networking. As business people, networking is an important part of our everyday job, yet many of us don't network enough or use it to get the results we need.

We are currently working on a venue that is big enough and is networking friendly for the event that will be held in September.

We will email you shortly with the date and time!

Recruitment advice to help you Xsell

Recruiting the right staff for your sales team, whether big or small, is key to success, and a major responsibility.

Xsell is a specialist recruitment company, placing only sales people (from reps to managers), and is currently helping a number of clients find exceptional sales staff.

Xsell invests time in understanding your business and your requirements for the new candidate. What sets Xsell apart is its ability to assess a candidate's ability to perform. When the client *and* the candidate align, a successful match is made.

Here are some of the recruitment principles we use to achieve successful matches our clients and employment seekers.

Know what you are looking for

If this is a new position, write the corresponding job description before advertising. If you're replacing an existing team member, ensure that the job description is up to date and relevant. You must:

- Define the key activities required for the candidate to be successful in the role
- Outline planning and reporting expectations
- Define activity and revenue expectations / KPIs / sales targets
- Decide how much you're willing to pay the candidate (and consider whether this will vary based on experience)

Be creative in your search

Sourcing exceptional sales people is not always as easy as placing an advertisement and hoping the right person finds it. Be creative in your approach to finding staff. Alongside advertising, Xsell also employs these techniques:

- Approach good sales people who visit your business
- Ask customers, family, business contacts and friends to recommend quality sales people they know
- Introduce a referral program for staff who introduce successful sales people they might know

Look beyond the interview

Good sales people will be able to sell themselves effectively in an interview, so you should watch for behaviours before and after each interview too. Xsell looks for these aspects:

- How they present their resume (look for a tailored cover letter)
- Do they phone to follow up on their application?
- Do they ring to reconfirm their interview time with you?
- Do they cancel or reschedule their interview with you with little notice?
- Are they running late without contacting you to advise of the delay?
- Do they address all of your questions during the interview? Do they avoid any?
- Do they remember to turn off their mobile phone when arriving at your office?

Get what you want out of interviews

When interviewing a candidate, be thorough in assessing their ability to perform in the role based on their previous experience and qualifications. We recommend you:

- Focus on the candidate's resume and background
- Go below the surface on the topic of their sales skills
- Be realistic and honest in your description of the role and what it demands (transparency is paramount in building trust and commitment)

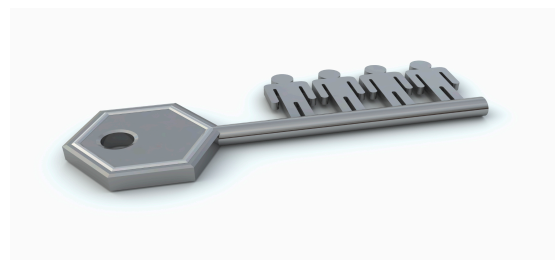
Contact Xsell today on (08) 9260 0000 and engage a sales recruitment specialist in the search for your next star sales person.

If you are a job seeker, you can view the jobs currently advertised by Xsell at www.seek.com.au:

Trade Sales Representative – Cabinetry & Kitchens (Job Number: 15877707)

Business Development Manager (Job Number: 15876314)

Sales Director – Mining and Finance (Job Number: 15869103)





- Customer Focus Night

Concept Music may be a small, single-store business in Perth, WA, but that doesn't stop owner/manager Graham Hoskins from thinking and acting big – especially when it comes to listening to his customers. In fact, many large national and international firms still fail to hear and understand their customers, resulting in a disconnect between what the company *thinks* its customers want and what they *really* want, often with disastrous consequences. Graham engaged Xsell in 2009 to train his staff in understanding customer needs and sales psychology, and to run a range of focus groups for his customers.

Graham launched Concept Music in 1980 with a focus on delivering the highest customer service experience along with the best prices and range available. While many businesses claim to be “customer focused”, Graham really does listen to his customers and has used their feedback to help grow and shape the business over the years. One example was when customers complained about increasingly difficult access and parking at the store's (then) city location. Graham understood their concerns, realised that this could negatively impact the business, and made a key decision to relocate to the current premises in Wembley with loads of free, door-front parking.

Being a musician himself and having run Concept Music for 29 years, Graham has built a great friendship and rapport with many long-term, loyal customers, often asking their thoughts on the store, staff, new products and so on. However, with store expansion plans underway, he felt it was now time to gather more in-depth feedback from a wider range of customers in a more structured and candid manner, and decided to hold a customer focus group.

Concept Music Customer Focus Night

The event was held on July 28, 2009, with six customers attending. They ranged from new and long-term customers, from music teachers to musicians as interested in music collectibles as they are in playing music. The evening was held at the store's Wembley location, with refreshments provided.

Xsell conducted the focus group and facilitated the discussion (without Graham present) with questions ranging from general likes and dislikes about the business, its competitors, marketing/promotion and its website. All customers participated enthusiastically in the hour and a half session, which was fully documented and presented back to Graham.

Major findings: Likes

The group overwhelmingly noted that Concept Music had friendly, very knowledgeable staff and provided excellent customer service, including after-sales service. “I have never experienced customer service like this anywhere in my entire life. They care how you feel,” said one participant. “Graham's obviously got a successful way of choosing new staff, as they've all been great,” said another, when referring to several newer team members. Overall, the group felt there was a good product range with competitive prices and that the second-hand dealership service was good.

Major findings: Areas for improvement

Several participants said they would like to see an even wider range of brands stocked and also unique and collectible items to be offered. With his amount of store space soon to be increased, this is something Graham can now consider.

Main areas for improvement centred on the website and its need to be regularly updated. The group also agreed that the store needs more demo/amp rooms. Again, this feedback was timely with the planned expansion of the store allowing for more space.

Major findings: Promotional ideas

When asked their thoughts on a VIP or Frequent Shopper card, the group unanimously said no, feeling it was too impersonal and too formal. One respondent said “I know Graham's trying to anchor down some customer loyalty, but he's got that anyway” – an excellent insight that may have prevented the launch of an unwanted program.

The group felt that radio advertising would be a waste of time and money as none of them listened to the radio or were not influenced by radio advertising. This and other feedback is particularly relevant as it directs Graham towards the most relevant and effective avenues for sales, marketing and promotion.

Conclusion

With the information gained from the focus group Graham now knows which areas he needs to improve, and he can address these before focussing on the store expansion. This insight will also help him make better decisions about the store expansion, such as how best to use the larger space and, ultimately, how he can meet his objective of making Concept Music the preferred outlet for all musicians and music lovers.