



Beyond Referrals Newsletter Volume 2.2

We all know that a sales slump can take a long time to get out of so being focussed is important. If you've ever wondered what you should focus on to get out, this is the article for you.

Volume 2.2 From Layoffs to Payoffs: Getting Out of A Sales Slump

I hear consultants and partners discuss this all the time. "We haven't been doing any selling because we're so busy delivering services. But I know that once these projects end we don't have enough work waiting in the wings."

Leaving your future revenue to fate and hoping something turns up before you spend too much time "on the bench" is not very appealing.

Selling consulting services generally involves an extended sales cycle. There is no magic formula to "make it rain" instantly but if you're facing stalling or stagnant sales right now I recommend you focus on the following to kick-start your firm.

Focus On "Selling" - Not "Marketing"

Selling generates sales. Marketing builds brands. The two are dependent upon each other and important to each other, but they function at different points in the buying process.

Marketing – the term generally used to describe advertising, promotions, public relations etc. - is not "selling." Marketing is a great long-term strategy for positioning, brand building and feeding early stage buyers into your sales process – but except for a few unique applications, it won't drive short-term sales in the consulting industry.

The down side of "marketing" in your situation is three-fold. First it burns up a lot of money quickly, thereby exacerbating cash flow problems that usually accompany a sales slump. Second, the pay-offs from these activities are often measured over years, not days or weeks. Finally, developing marketing strategies and advertising campaigns often masks the fact that no-one in your firm knows what to else to do (read: they don't know how to sell).

If you've got a sales problem don't call an ad agency. Fix your sales problem first using the techniques below and THEN call the agency for some long-term profile and brand building.

This point is as much about not doing the wrong things, as it is about doing the right things. If someone in your firm says "we need to do some marketing" you will probably want to have a very pointed and frank conversation addressing the above three points.

Evaluate Your Positioning

In a minute you'll read about how the telephone is going to become your new best friend - but first you need to make sure your positioning is solid. If it's not, I guarantee the telephone will become your new worst enemy.

Remember - you need to focus your market position as narrowly and specifically as possible. Determine what category or functional area (ideally both) your firm leads in, and specifically what type of firm that expertise is most relevant to.

A narrow position as a leader in a category and/or functional area will focus your sales efforts on those opportunities you are most likely to win, and those that you are most likely to deliver well and profit from.

If you need some help with your positioning see Volume 1.1 Positioning for Profit.

Say Hello To Your New Friend

When you need sales quickly you need to focus on finding late stage buyers. And you can't tell who's an early stage or late stage buyer until you qualify them. The most efficient way to qualify many potential clients in a day is on the phone. This is often referred to as cold calling.

Cold calling has many negative connotations that make it unattractive to consultants who are respected professionals and consider themselves above such seemingly sleazy tactics. Respect is the key word here.

The Perfect Telephone Introduction is our respectful, appropriate, and very effective version of cold calling that is perfect for a consulting professional. For a recap of The Perfect Telephone Introduction read Volume 1.5 The Perfect Telephone Introduction. You'll read about:

- A respectful way to use the phone to uncover sales opportunities;
- Why cold calls are uncomfortable while The Perfect Telephone Introduction is exactly the opposite;
- The goal of a Telephone Introduction (hint: It's NOT about closing a deal).

One in every several dozen, or possibly 100 calls will result in a near term sale. This ratio will be affected significantly by your positioning, your target list, and to some extent by external environmental factors.

While this may seem like an impossible task, you'll be surprised how familiar and easy it becomes with some practice.

Along the way you will uncover other longer-term opportunities that, if qualified and nurtured properly, will grow into new clients over the next few years.

Imagine if you had the foresight to begin making two calls every day over the past year? If we assume 200 working days per year (I know – you're a consultant so it's more like 300), you would likely be working with several new clients by now and nurturing hundreds of other opportunities, many of which would become clients very soon.

It's never too late to start...

Outsourcing The Sales Process

You may be tempted to explore this but I have yet to see a model that is efficient or worth its cost. The goal of outsourcing is usually to increase efficiency or reduce costs, or both – often by eliminating functions that are not core competencies of a consulting firm.

There are only two core competencies that a consultant must have to be successful.

- The ability to deliver value to a client.
- The ability to find new clients.

This does not seem like a good candidate for outsourcing to me.

I am frequently asked to sell on behalf of consulting firms and on several occasions I have explored ways to do this. I have yet to find an appropriate way to efficiently deliver high margin clients as an outsourced service provider.

Delivering low-margin clients using an inefficient process is a much easier proposition and is currently offered by many call-centers, and services procurement organizations.

The value of a meaningful sales process to a consulting firm is that it can be fed and nurtured by every consulting and non-consulting person within the organization as part of their regular duties.

Adding an outsourced sales provider is adding cost and likely reducing efficiency, while optimizing internal selling processes is reducing cost and increasing efficiency.

Beware The “Services Procurement” and “Government RFP” Shortcuts

Inevitably you will look around and ask yourself where you might find organizations that need your services right now. And without a doubt you will be attracted to services procurement companies and government tendering web sites.

It is true that both of these services provide access to clients that are buying consulting services right now. They are probably (not always) late stage buyers – which is what you want (and possibly need).

Unfortunately the orientation of these services is exclusively for the benefit of the buyer – not you the seller. It’s not even designed to mutually benefit the relationship which is a must for a sustainable business environment.

This is demonstrated in two ways. First, both types of procurement services are generally structured to maximize the number of proposals submitted to drive prices down for buyers, which plays into the second disadvantage to you, the selection criteria is usually weighted heavily on price. Too many competitors all competing on price does not sound very attractive.

In a sales slump it’s hard to walk away from these opportunities but you need to ask yourself if you will be better off writing a lot of proposals and competing against hundreds of other firms to win very few low-margin opportunities, or using your resources to find more profitable opportunities that match your unique expertise in low competition situations.

If you decide to pursue the RFP process in the short term be aware of the following:

- Be selective about the RFP’s you pursue. There is a mile wide gap between “We can do this type of work” and “We can win this type of work and deliver it profitably.”
- Try and influence the writing of the RFP so that it is focussed and does not encourage hundreds of responses. Purchasing agents unfamiliar with buying consulting services will often look for assistance. Your assistance can be as simple as forwarding samples of RFP’s that you were strong in or have won in the past. Unfortunately this usually only becomes a possibility if you have already invested some time in a relationship with them.
- If possible do a presentation of your proposal to all the decision makers instead of sending it by courier.

- Better yet request a meeting with all the decision makers prior to the proposal being written to uncover any hidden objections or requirements that aren't in the RFP document.

Sales Incentives Part I: Incent Short Term Sales Activity

You may already have sales incentives in place for consulting or other staff but take a look at your programs again. Are you incenting leading or lagging indicators? Are they truly sales incentives or are they actually delivery incentives? You may want to try some short-term incentives that focus on leading sales indicators such as Telephone Introductions.

Sales Incentives Part II: Start Having Sales Meetings

Part two of incenting short-term sales activity is managing the sales activities of consultants within your firm. Many consulting firms have weekly delivery progress meetings but very few have true sales meetings. Your sales meeting should have four components:

- A review of the sales (preferably revenue) numbers
- A round table review of what each individual has added to the sales "funnel" this week
- A round table review of late stage opportunities and what actions are required for each
- Tasks that must be completed in the upcoming week

Do you have a meaningful and well-structured sales meeting?

Once You're Out of the Slump

The best way to address a sales slump is to be proactive – never stop selling. And that's easiest to do with a robust, ongoing, efficient sales process that can be fed and supported even when your whole office is busy. So to avoid the next sales slump make sure your firm has a sales process that is well defined, well supported, and easy to "feed" potential clients into.

There is no short cut. It will take time to rebuild your sales but our intent with this article is to help you maximize the efficiency of and minimize the cost and time, to return to a sustainable level of sales.

Beyond Referrals has been selected by the Institute of Management Consultants as an "IMC Recommended" professional development program.

For more information about how we help consulting firms and consultants optimize their selling processes and sales, contact:

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