No time to lose

The concept of 'sales momentum' in keeping deals on course

BY STEVE HOYLE

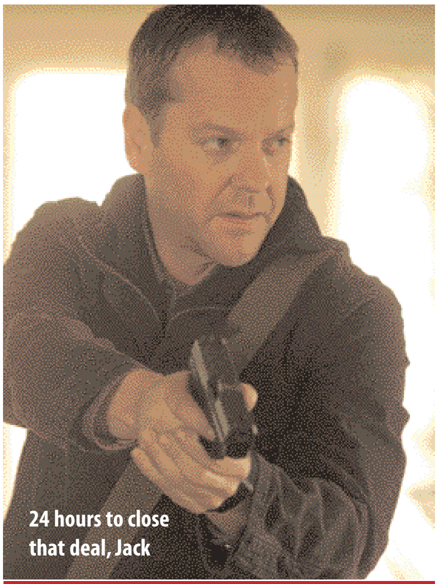
Sarah was the type of salesperson that every sales manager dreams of – exceeding target every quarter with standard pricing, satisfied customers and getting on well with her colleagues. It was a great surprise when she missed the last quarter by a long way, especially when at the last forecast review she was confidently predicting to overachieve if all three of the major deals that she was pursuing closed on time.

At this week's review she explained that she had not lost any of the deals, but that they had all "slipped" due to factors outside of her control. The largest deal with a very solid existing customer had been put on hold for a month due to a reorganisation; another deal where she had the technical recommendation and a verbal commitment from senior management had not been formally approved because their monthly board meeting had run out of time as they discussed a possible acquisition; the third deal which was a simple upgrade had been delayed by two months so as to fall into their next quarter spending.

The above may sound familiar, and Sarah may well eventually get one of the projects, but our experience of similar cases strongly suggests that she would be extremely fortunate to secure the original forecast of two out of the three.

We have all heard dreaded phrases such as "there will be a slight delay while we make sure that we have full management support", "with this being our really busy period, we've put the project on hold for a couple of weeks", "we need a little more time to do a full ROI". Delays like these are sometimes inevitable and unforeseen, but are always huge alarm bells.

It has long been recognised that time is the biggest deal killer, and the extent of this truism was brought home to me recently when analysing funnel movements for a sales team. Rather than just look at win/loss reports we had a look into total funnel movements, which sometimes can be more revealing than picking on individual deals. Almost half of projects that did not result in revenue were eventually taken out of the funnel because they had "gone away", which mostly means that they drifted out of the customer's important/urgent box and then, as situations changed or the business case was never very strong, eventually disappeared.



24 hours to close that deal, Jack

Over half of deals that were lost had some significant movement in their timescales during the sales cycle, normally a major slippage. This led us to look at what can be called "selling momentum" – where everything is going well, until something happens that results in us no longer driving the deal, but having to respond to either the customer or the moves of a competitor.

Traditionally we have always realised that timing is crucial, and all of the classic quick qualification tools (MAN-T, NUTCASE, CUTEMAN, SCOTSMAN) all have a "T" for Time. In more recent years we have understood the concept of the compelling event, which rightly places the customer business driven event as the crucial element of understanding the mechanics of a deal. Very recently, we have begun to better understand the concept of selling momentum. This has been well understood by double-glazing salespeople for some time: if you don't close while you've got their attention, then you'll never close.

Of course in complex B2B, selling is a much more sophisticated art form, but sales momentum plays an even greater part, as we seek to manage the prospect buying cycle, and also the moves of competitors.

During our analysis of sales funnels we have came across a number of great examples where salespeople have been able to use momentum to change the shape of deals that they were about to lose, including:

- A salesperson who managed to delay the final ratification meeting, where a deal was almost certain to be lost, by linking with a project in another division, allowing him to regroup his support base and change criteria for selection.
- A salesperson who sensed a pending delay and immediately went for agreement on a small pilot, giving her traction in the account while they went through a reorganisation, and was then positioned to drive the major project.
- A salesperson who detected a new competitor becoming strong towards the end of a sales cycle, and persuaded a key contact to instigate a delay in order to gather more data for the business case, during which he regained momentum.
- A salesperson who created a compelling event by linking seasonal business demands into an implementation plan.
- A salesperson who regained momentum by simply finding out when the various members of the steering team were taking holidays, anticipated when they would be forced to make decisions, and timed his activities around these dates.
- A salesperson, knowing that there would be a dip in activity for a few weeks, who set up a series of discovery and account management events that enabled her access and the ability to "walk the corridors" to continue engagement.

These are all classic sales moves for influencing the timing of activity and placing of an order; if you are in any doubt just look at the "hockey" stick effect of orders and revenues that is visible in practically every sales team. The explosion in salesforce automation systems has yielded many benefits, but because they rely on snapshots of information in real time they often obscure us from one of the most important tools that a salesperson can use – the timeline of future customer and competitor activity.

Our research suggests you should also invest in a few blank pieces of paper and simply draw out timelines to anticipate delays and blockages, chart your momentum in the sale, adding time as the critical dimension when planning your opportunity strategies. SF

Steve Hoyle is chairman of ProAct Business Development, specialising in turning theory into practice with sales behavioural change programmes. See www.proactbd.com