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SALES OPPORTUNITY MANAGEMENT

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INFLUENCING WITH QUESTIONS

Appreciative inquiry with well-planned questions is the
primary personal sales tool

DISCOVERY

The questions you ask during a sales conversation generally fall into five main categories:

1. Questions probing key players incentive to act: goals, challenges and reasons. Current situation and current operation, how are things now?

2. Questions probing key players solution vision

3. Questions probing plans: actions taken and planned, process & criteria, fundings, etc

4. Other key players?
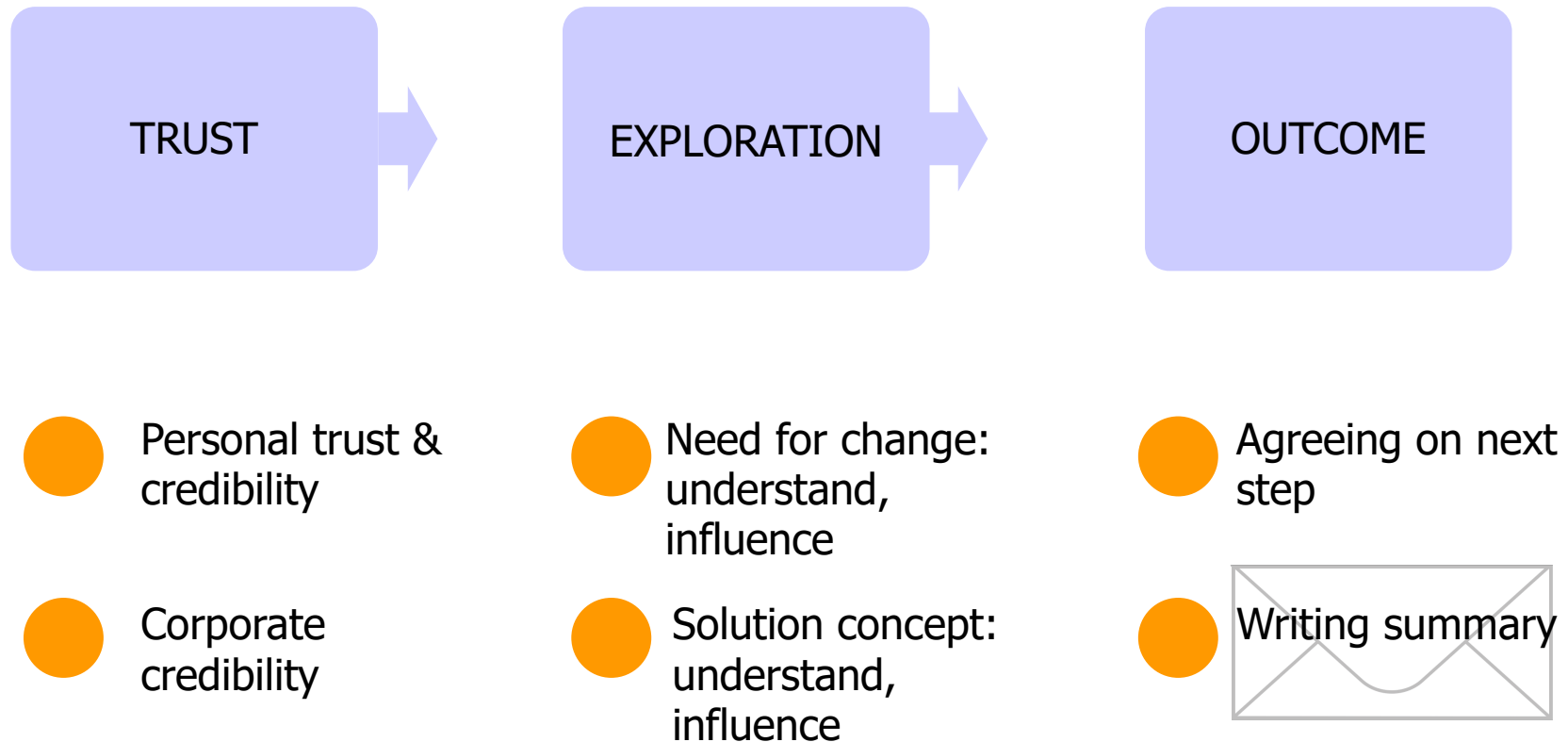
DISCORY AT THREE LEVELS

	OPINION	REASONS	IMPORTANCE
POTENTIAL NEEDS (not known by the customer)	(5) "Many of our customers find *<describe opportunity>* important for *<describe reasons>*"	(6) "Are those reasons relevant in your situation?"	(7) "How important the *<reasons>* are in your situation?"
EXISTING NEEDS (Challenges & opportunities)	(2) •"What challenges have you identified?" •"What opportunities have you identified?"	(3) •"What are the reaso[n] behind?" •"Why is this opportunity interesting?"	(4) •"What's the payback?" •"How significant are the potential benefits?"
CURRENT SITUATION	(1) "Could you please describe your situation …?"		

Vaikuttavuus kasvaa

ORGANIZING SALES CONVERSATION

EXPLORE BUSINESS IMPACT MEETING MODEL

TRUST	EXPLORATION	OUTCOME

TRUST
- ● Personal trust & credibility
- ● Corporate credibility

EXPLORATION
- ● Need for change: understand, influence
- ● Solution concept: understand, influence

OUTCOME
- ● Agreeing on next step
- ● Writing summary

SALES OPPORTUNITY MANAGEMENT

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SALES OPPORTUNITY MANAGEMENT

PREREADING

Sales opportunity management is identifying, reviewing, planning, and acting on a sales opportunity that deserves attention. This guide describes the process and tools for managers.

SALES
OPPORTUNITY
MANAGEMENT

| SELECT | REVIEW | PLAN | ACT |

INDIVIDUAL SELLING SKILLS

Customer buying process phase

Sales Skills

SALES TASK

Sales Tools

Goal
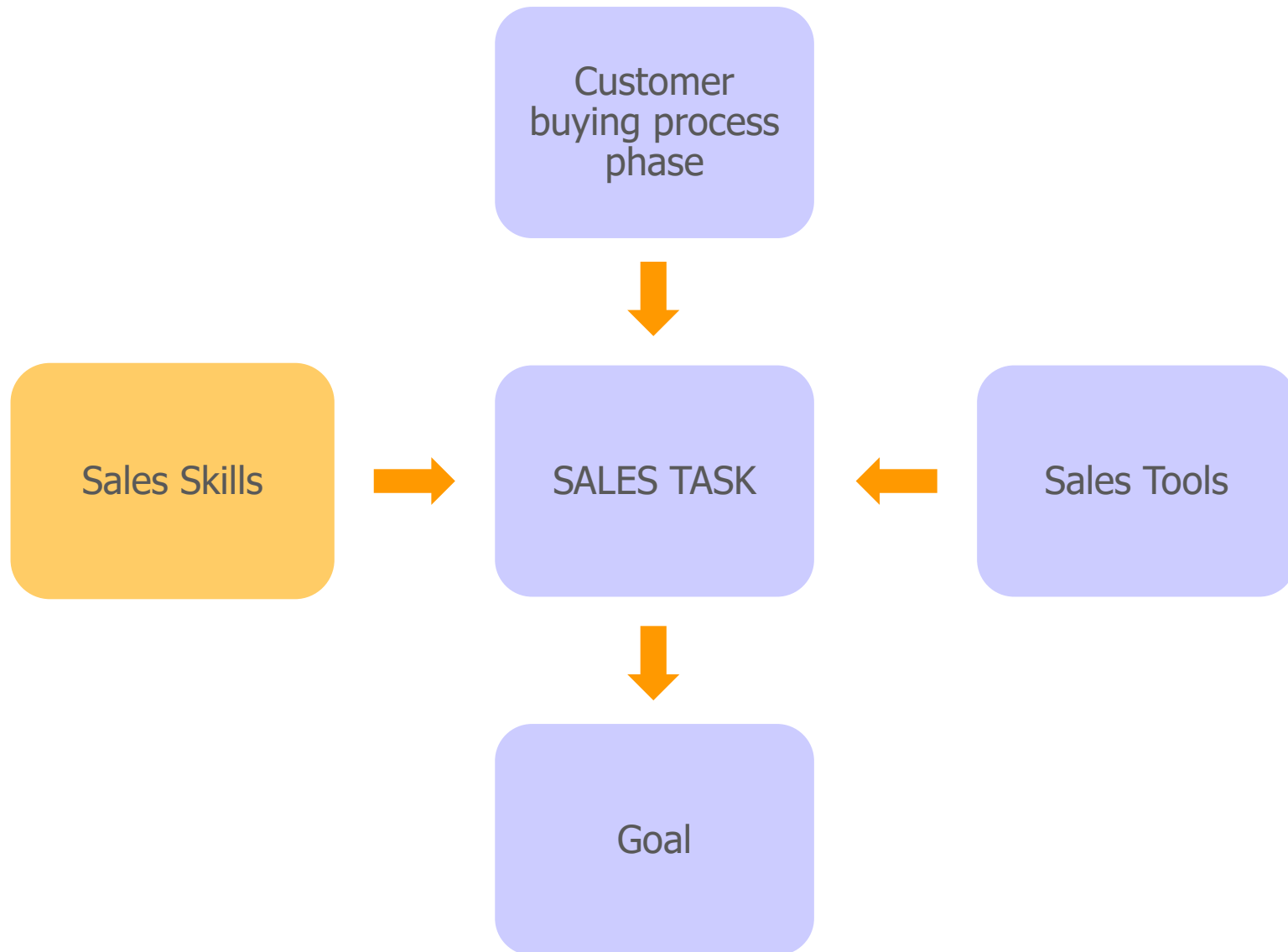
BUYING AND SELLING CONNECTED

NEED AND PRIORITY	SOLUTION VISION	SEARCH AND SELECTION	COMMITMENT

CONTACT	QUALIFICATION	SOLUTION	PREFERENCE	NEGOTIATION

Create need

Understand need

Influence need

Create vision

Understand Vision

Influence Vision

Propose solution

Understand criteria

Influence criteria

Clear obstacles

Is this right customer and contact for us?	Is there a reason to act?	Do we have a competitive solution?	Do we have right relationships and shared plan?	Are the value & risks acceptable?

WHY ACTIVE SALES OPPORTUNITY MANAGEMENT?

1. Decisions based on facts instead of opinions
2. Improve sales quality and skills
3. Improve success rates
4. Focus on right opportunities
5. Use time efficiently
6. Create and share best practices and sales culture

GROUP DISCUSSION

Let's say that you have two promising sales opportunities, but you can only choose one, and drop the other.

1. What information would you like to have to make your decision and why?

Prepare to share your findings with the rest of the group

GROUP WORK

The table on the next page provides an example set of questions for analyzing an opportunity. Discuss the different questions in your groups for 10 mins, and answer the following question:

1. Which questions are the 5 least important and why?

Prepare to share your findings with the other groups

2	Right customer	1. Should we be selling to this customer? (how do they compare to our ideal customer criteria?)
		2. Any potential showstoppers? (What is their buying history?)
3	Need (are they likely to buy?)	1. What is their reason to buy?
		2. How compelling is their reason to buy?
		3. Is there an influential decision maker who wants to buy? (personal win)
		4. How much have their invested (time, money, resources) to buy?
		5. Is there a deadline for their decision?
4	Solution	1. How valuable is the solution? (can we show the value in customer's terms?)
		2. How do we compare to the customer's criteria?
		3. Who is the competition and how do they compare to customer's criteria?
		4. Do we have unique differentiators? (where are we better than competition?)
5	Organisation & relationship	1. Who cares? (do we have a sponsor in their organization?)
		2. How is our relationship to the power sponsor(s)?
		3. Why would they choose us?
		4. Where were they in their process when we got involved?
6	Decision process	1. What is customer's plan to proceed & decide? Can we propose/influence the plan?
		2. Can we compete? (do we have the resources & skills to meet customer's requirements & timetable?)
7	Value & risk	1. How valuable is this opportunity for us?
		2. Strategic value (new customer, new market, ..)?
		3. How high and how risky is the cost of sales?
		4. What other risks have we identified? (reputation, delivery, margin, relationships)

OPPORTUNITY MANAGEMENT PROCESS

Select an opportunity requiring attention

Review progress and outstanding actions

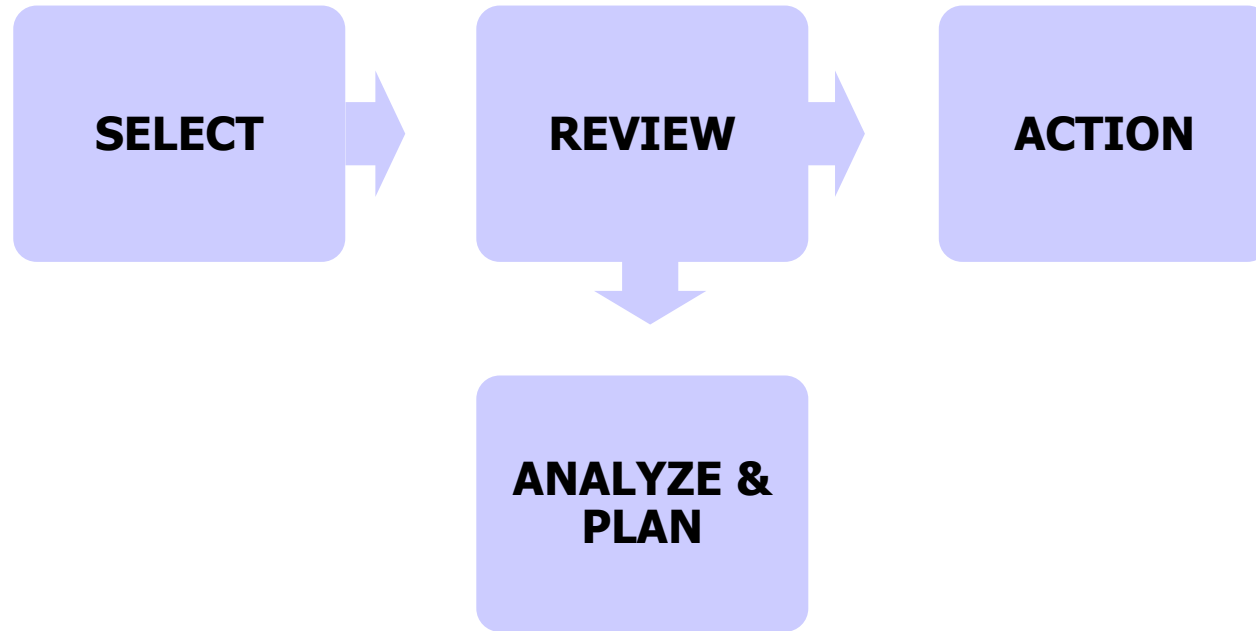Agree on actions to progress the opportunity

SELECT

REVIEW

ACTION

ANALYZE & PLAN

Analyze the opportunity information

SELECT

Opportunity that is important	Make sure we do our best with the strategically and commercially important opportunities
Opportunity that is not moving	Opportunities that are not making progress need attention
Opportunity that is new	Qualify new opportunities
Opportunity that is expected to close soon	Prepare for negotiations and make sure everything is done

REVIEW

Opportunity review

1. What is the sales process stage?

2. What is the status of the previously agreed actions? / What has happened since the previous review?

3. Any issues preventing from moving ahead?

4. What could prevent us from winning?

5. What are the actions required to win?

1 – SITUATION ANALYSIS	6 – CLOSING PLAN
How important is this opportunity (in relation to other opportunities)?	
What is the status of the previously agreed actions?	How do we influence the customer's decision process?
What is the next step agreed with the customer?	What information are we missing?
Is there anything preving from moving ahead?	What relationships we need to focus upon?
What could prevent us from winning?	What risks have we identified?
Do we know what we need to do to win?	What internal decision need to be made?

2 – CUSTOMER SELECTION		3 – NEED AND URGENCY		4 – SOLUTION CRITERIA	
Fit with our customer selection criteria?		What is their reason to buy?		Does our solution meet customer's criteria?	
Customer's buying history?		How compelling is their reason to buy?		How do we differentiate?	
Strategic value? Deal profitability?		Where are they in their buying process?		Can we assess the solution value?	
Customer-related risks for failure?		Is there influential internal support for buying?			
Our ability to deliver?		Is there a timeline for a decision? Resources?			

5 – KEY DECISION INFLUENCE	ROLE	Goal and business challenges	RECEPTIVITY G, T, I, O	INFLUENCE 1 - 5	RELATIONSHIP -2, … , 2

PROBABILITY OF WINNING A SALES OPPORTUNITY

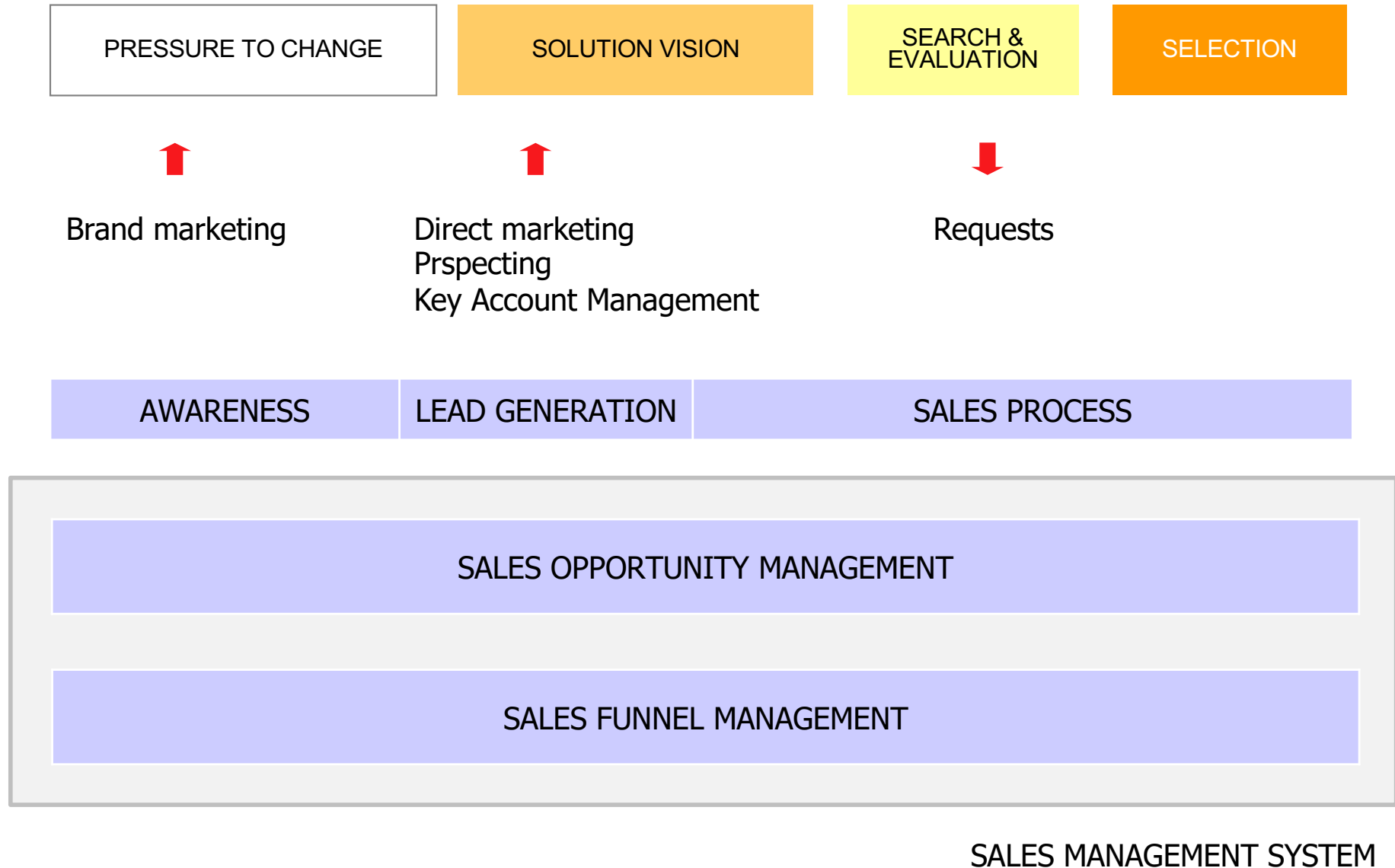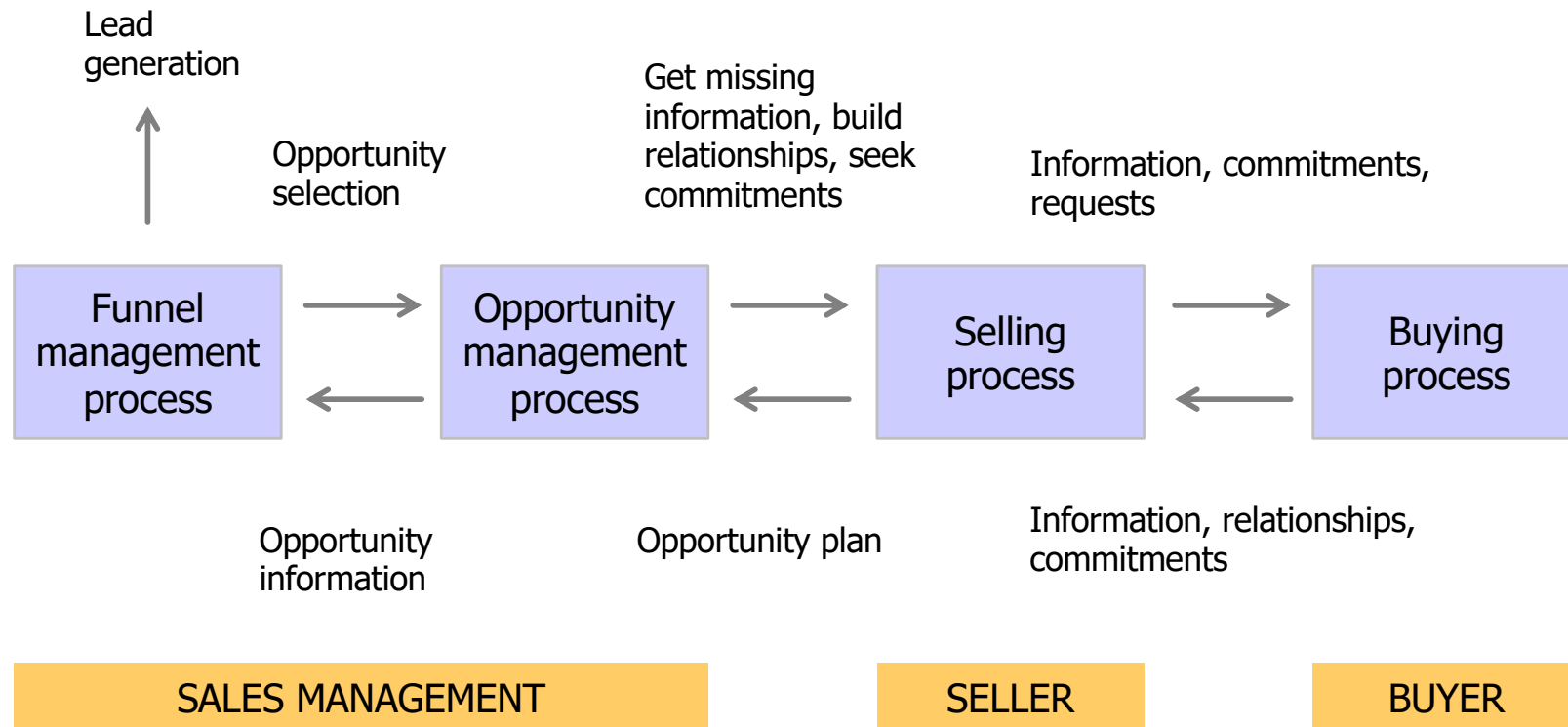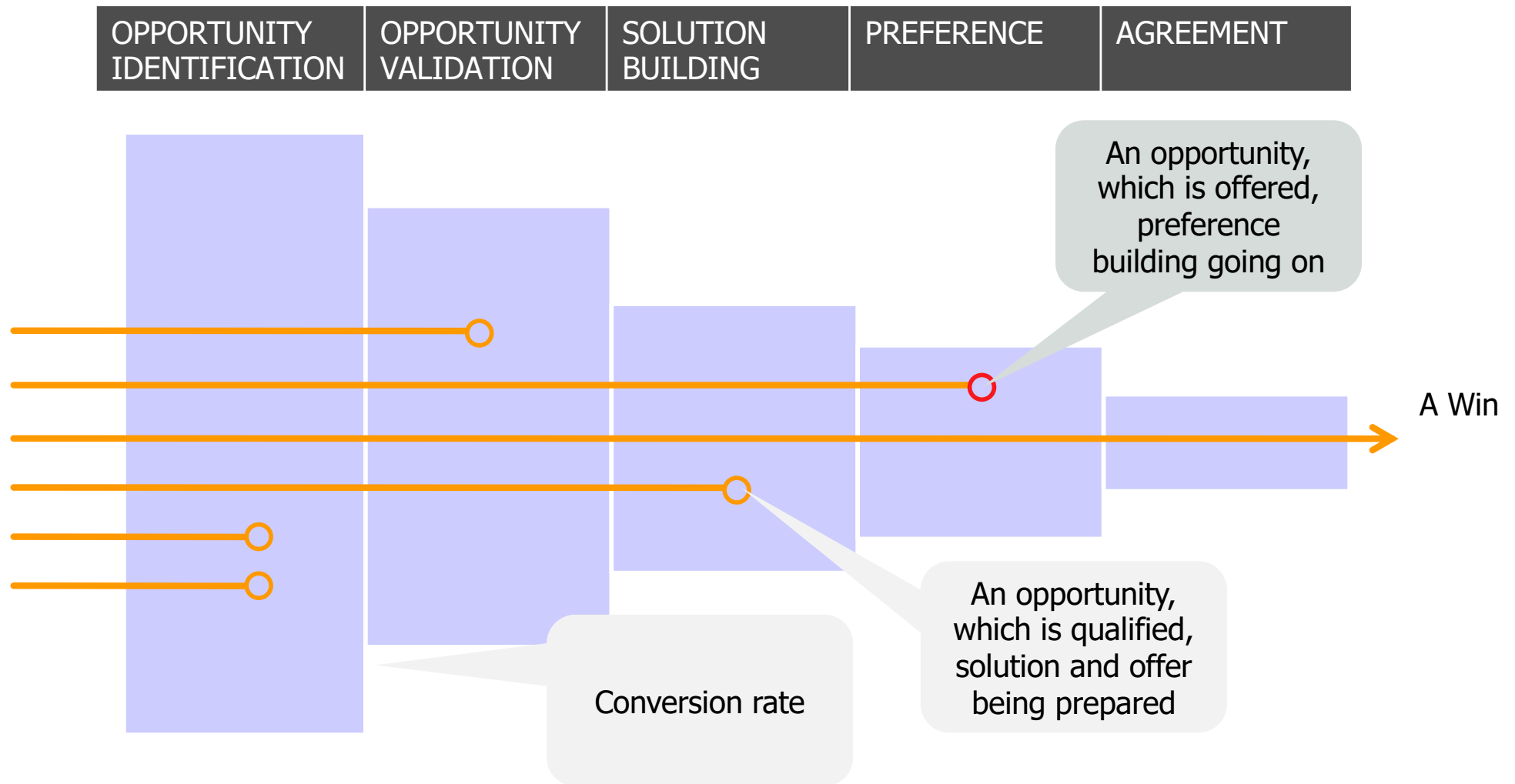|	WHY is this important?	HOW do we know?	WHAT do we do?
Where are they in their buying cycle?	• Customers are investing time, resources and money to progress their buying process • The further they in the process, the more likely they are to buy	• We need to decide, what are the "verifiable buying actions" that we would like to see happening	• We assign the PROJECT PROBABILITY depending on where they are in their buying cycle: • Assessing NEED • Defining SOLUTION • PURCHASING the solution
How likely are they buying?	• Customers buy, IF 1. Their reason to buy is strong 2. The solution is valuable 3. The decision makers are personally motivated to buy	• We have a set of test questions to evaluate the opportunity, SEE NEXT PAGE	• We INCREASE the probability, IF 1. Their NEED is compelling 2. The SOLUTION is valuable 3. DECISION MAKERS are committed (= they personally win)
How likely are they to buy from us?	• We win, IF 1. The overall solution vision is better fitting than competition 2. The solution value is higher than competition 3. The relationship to decision makers is better than competition		

SALES FUNNEL MANAGEMENT

SALES MANAGEMENT KEY CONCEPTS

Driving

Customer's buying process

Our sales process

Funnel management

Opportunity management

Sales management system

Defining
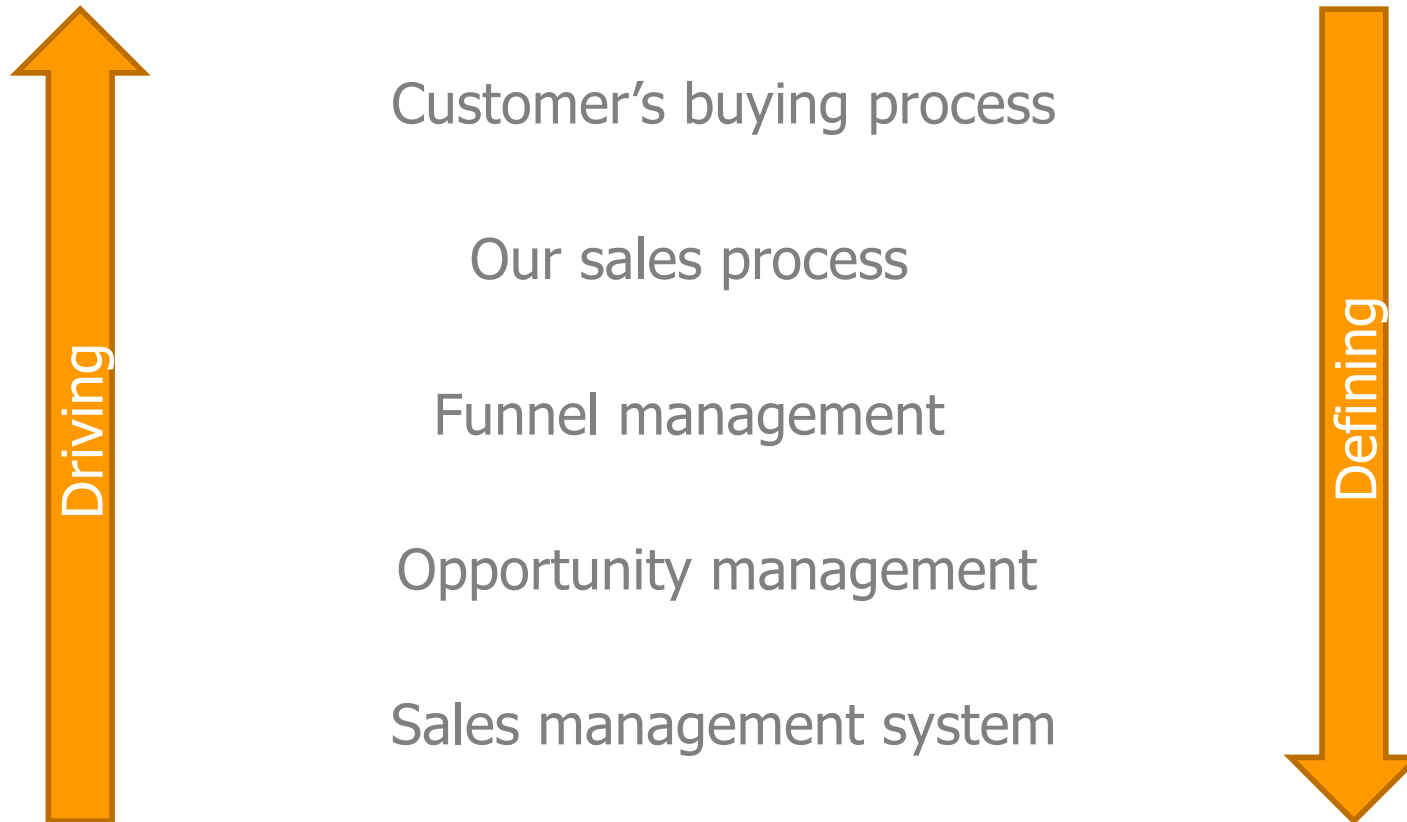
SALES MANAGEMENT PROCESSES

PRESSURE TO CHANGE	SOLUTION VISION	SEARCH & EVALUATION	SELECTION

Brand marketing

Direct marketing
Prspecting
Key Account Management

Requests

AWARENESS	LEAD GENERATION	SALES PROCESS

SALES OPPORTUNITY MANAGEMENT

SALES FUNNEL MANAGEMENT

SALES MANAGEMENT SYSTEM

FUNNEL MANAGEMENT FRAMEWORK

Lead
generation

Get missing
information, build
relationships, seek
commitments

Opportunity
selection

Information, commitments,
requests

| Funnel management process | → ← | Opportunity management process | → ← | Selling process | → ← | Buying process |

Opportunity
information

Opportunity plan

Information, relationships,
commitments

| SALES MANAGEMENT | SELLER | BUYER |

DISCUSSION

Let's discuss the following question for 5 mins:

You have a (large) number of active sales opportunities at different stages of the sales process

1. What different information would you like have of this portfolio of opportunities to manage the "sales funnel"?

Prepare to share your findings with the rest of the group by using Zoom "chat"
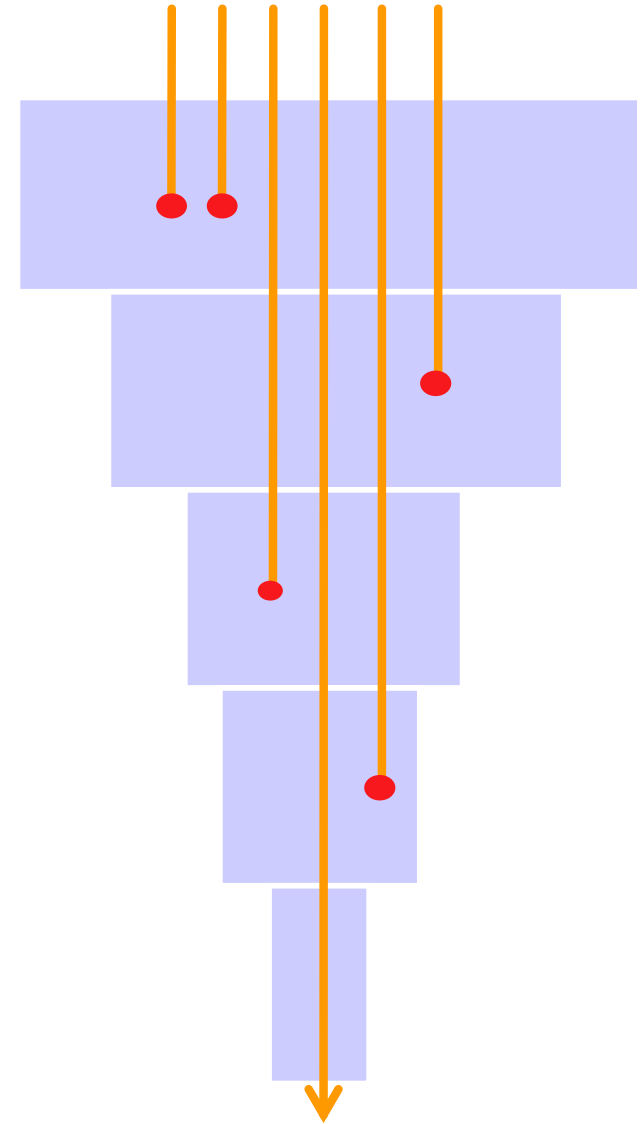
SALES FUNNEL MANAGEMENT

Do we generate enough new sales leads?

Do we have enough sales leads to meet our targets?

Is the shape of the funnel right?

Is the value of the funnel enough?

Are we reaching our goals?

LEAD

SALES OPPORTUNITY

"Year-to-date" results

Are all the opportunities making progress?

Which opportunities demand attention?

Can we forecast our sales at different time horizons?
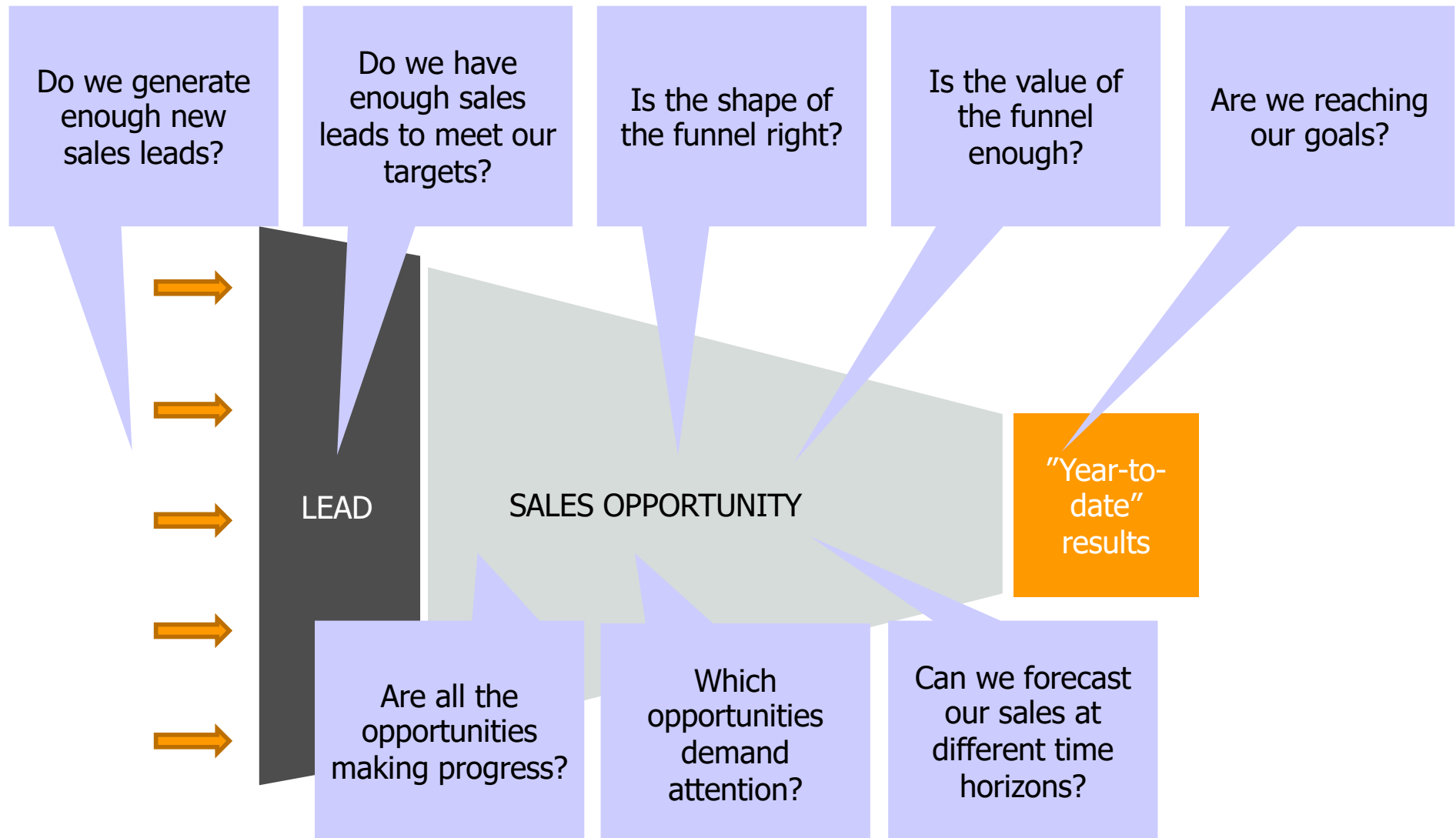
FUNNEL MANAGEMENT HIGHLIGHTS

WHAT?	• Plan and predict • Identify opportunities needing attention • Analyze sales efficiency (with conversion rates) • Plan marketing and lead generation actions • Forecast sales
WHY?	• Generate enough leads to feed the funnel • Direct sales and marketing activity to accelerate the funnel • Understand reasons for win/loss at different stages of the funnel • Improve overall sales efficiency • Forecast short term, medium term, long term sales
HOW?	• Compare actual sales funnel to target • Determine sales funnel SHAPE, VALUE and SPEED • Decide on actions

SALES FUNNEL KEY CONCEPTS

- Sales funnel SHAPE
  - The funnel shape is determined by the "conversion %" between sales process stages
  - Low conversion % → wide funnel
  - High conversion percentages → narrow funnel

- Sales funnel VALUE
  - Sales funnel value is the sum of the sales values of all opportunities
  - Important to decide which funnel stages are included

- Sales funnel SPEED
  - For how long an opportunity stays at each funnel stage

FUNNEL MANAGEMENT GROUP ASSIGNMENT

- Why is wide funnel good?
- Why is narrow funnel good?
- What is an ideal funnel shape?

PROBABILITY OF WINNING A SALES OPPORTUNITY

	WHY is this important?	HOW do we know?	WHAT do we do?
Where are they in their buying cycle?	• Customers are investing time, resources and money to progress their buying process • The further they in the process, the more likely they are to buy	• We need to decide, what are the "verifiable buying actions" that we would like to see happening	• We assign the PROJECT PROBABILITY depending on where they are in their buying cycle: • Assessing NEED • Defining SOLUTION • PURCHASING the solution
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SALES FUNNEL CRITERIA

What is this?	What opportunities belong here? Example criteria	Project probability	**Examples of verifiable buying actions**	Increase project probability, IF	Increase OUR probability, if
TARGET MARKET	• Any customer that meets our customer selection criteria	0%			
LEAD 0-5	• We have decided to contact the customer OR • Customer has shown interest • We have a contact person	**0** – 5%	• Inquiry		
QUALIFIED LEAD **5 – 25%**	• We have collected enough information (usually by meeting) to be convinced that the customer is likely to buy • We believe we have a solution • We have submitted a budgetary offer	**5** – 25%	• Sales call with customer to understand the needs • Budgetary offer • Next steps agreed	• Customer has a compelling need	
OFFER **25 – 50%**	• We have contact to customer to refine the offer • We have contact to customer's decision makers • Our solution meets customer's criteria • We understand customers needs and solution criteria to say the project % > 50%	**25** – 50%	• Offer submitted • Offer evaluation with customer • Next steps agreed	• The solution value is high	• WE has unique solution value, the overall solution is better than competition (in customer's opinion!)
HOT OFFER **50 – 75%**	• We understand customers needs and solution criteria to say the project % = 100% • OUR solution has unique value to customer AND • OUR relationship to decision makers is strong enough to convince us that OUR% > 60%	**50** – 75%	• Offer refining with customer • Negotiation	• The decision maker's are personally motivated to buy	• OUR relationship is stronger than competitions • Buyinghistory
ORDER **90 – 100%**		90 – 100%	• Negotiation		

SALES FORECASTING

CREATE LEADS

QUALIFY LEADS

BUILD SOLUTION

BUILD PREFERENCE

CLOSE THE SALE

Conversion rate

Hit rate

1M

1Q

1Y

Hit rate * Hot Offer base OR Selected opportunities

Within sales cycle → Conversion rate * base

Outside sales cycle → statistical
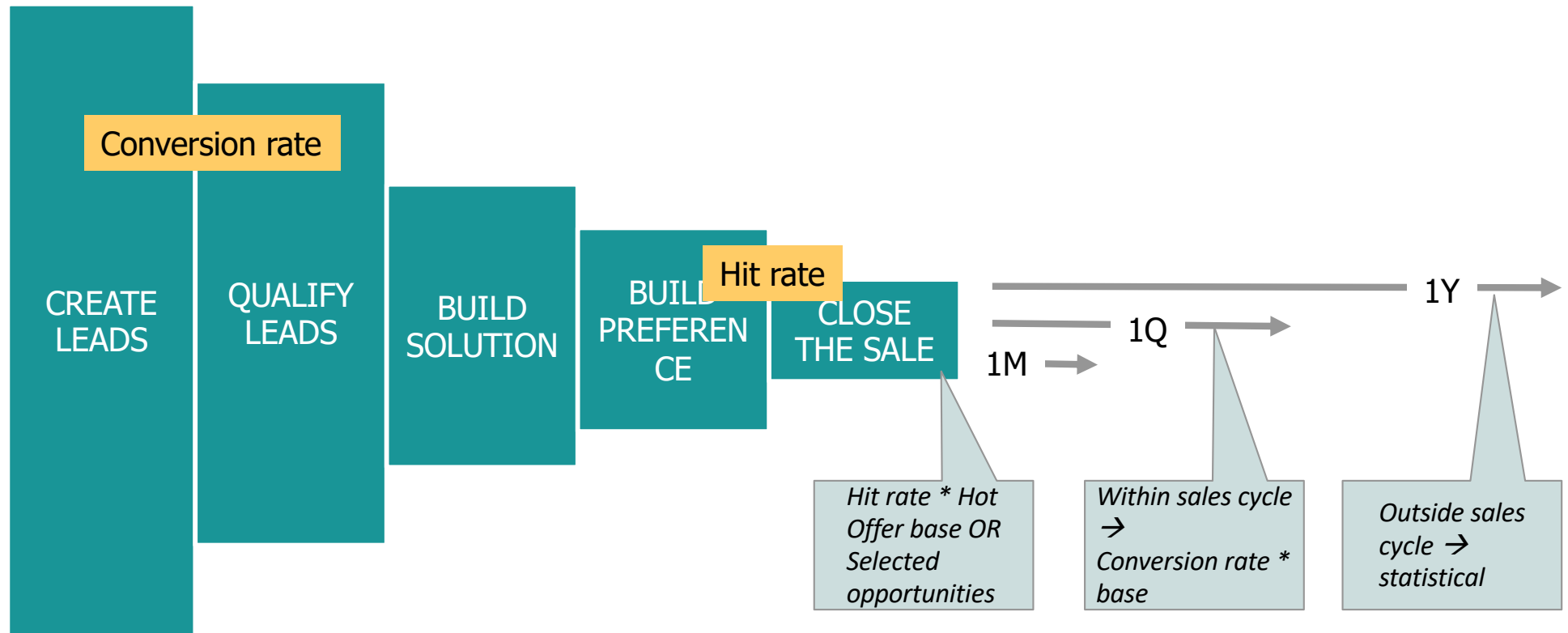
SALES FORECASTING CHECKLIST

	Y/N
Should the opportunity be included the forecast?	
• Is the win probability high enough?	
• Is the forecasted close date safely within the forecasting horizon?	
• Does the opportunity meet the funnel criteria?	
Challenge the Close Date	
• How strong incentive the customer has to decide within the expected close date?	
• Is the expected close date achievable from the current stage of the opportunity, i.e. is there enough time for sales process to achieve the expected close date?	
• How "hot" is the opportunity? How recently have we met the customer's decision maker? How is the sentiment?	
Challenge the likelihood of winning	
• How well does the win probability comply with the Opportunity Coaching?	
• What are our solution differentiators?	
• How strong is our relationship?	