

The Third Wave Selling E-zine

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How do your sales efforts stack up?

Myths of Successful Selling, Part I
by Douglas G Davidoff, CFP®

Are you growing intelligently?

How do your sales efforts stack up?

In our work over the last 20 years having reviewed thousands of business development efforts we have gained a tremendous amount of wisdom about what works and what doesn't work.

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Welcome to the Third Wave Selling E-zine, the only free e-zine focused on helping you avoid or escape The Commoditization Trap™. Please send the subscription link below to three associates who have an interest in cutting their pipeline times, increasing their sales and increasing their margins.

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• **Myths of Successful Selling, Part I** **by Douglas G Davidoff, CFP®**

Some people say that I have too much time on my hands. Why else, they ask, would I study selling so intensely? For as long as I can remember, I have been fascinated with the study of sales. Over the last 20 years of study, I've gained many insights. Some of the most valuable insights fall under the category "The Myths of Successful Selling," which I begin sharing with you in this issue of The Third Wave Selling E-zine.

The first myth I want to address is one that is held as sacred in the world of sales: increased activity leads to increased productivity. When I talk with sales executives and salespeople, they think this is a truth, a natural law, the sales equivalent of the law of gravity. But "increased activity leads to increased productivity" is a myth. The "myth of activity" is expressed in a variety of ways: selling is a numbers game; see more people; if you want to double your sales, see twice the number of people you are already seeing.

THE MYTH OF ACTIVITY

This myth began innocently enough. If you sold vacuum cleaners, encyclopedias, or Fuller brushes door to door, the number of people you saw was directly related to the level of success that you had. If you own a coffee store or a dress shop in the garment district of New York City, the number of people who walk through your door directly relates to the success you should have. Increasing activity in a commoditized industry can lead to

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increased sales.

However, if your sales model is a value added model, if you are selling a service or if you are trying to prevent your solution from becoming a pure commodity, then the number of people you see has little correlation to your success. Sometimes seeing more people can have a negative impact on your success. Yes, you read that correctly. Seeing more people can actually lead to decreased sales. The reason for this is that the more time you spend with each individual, the less time you are spending on increasing the value that is created.

In the old days, when communicating the value you provided was enough to sell your products and services, activity *could* have a direct relationship to sales completed. Today, when merely communicating value makes successful selling more difficult, activity has little relationship to success.

I met a salesperson working for a major company who was frustrated because his business was not growing at the rate he desired. When I asked him what he was doing about it, he answered, "You know, at the heart of it, selling is a numbers game. So, I'm trying to figure out how I can get in front of more people." Upon analyzing the true cause of his problem, we realized the issue was not the number of people he was seeing, it was that the people he was seeing didn't understand *how* he was going to be better than anyone else offering similar services. He was trying to solve his problem by getting in front of more people. This forced him to spend less total time with each person he met, and he certainly didn't have the time to better articulate and position his value proposition. By seeing more people he was actually contributing to the problem he was trying to solve!

After he agreed that increasing the number of meetings would not solve his problem, we worked on developing a clearer value proposition and implementing a sales system whereby he created value, rather than just communicating the value he provided. This meant that he would need to spend more time talking to the people he did meet with, and consequently he would be seeing *fewer* people. This made it necessary to have a system in place to make sure the people with whom he met

were high probability prospects, or what Imagine Sales Consulting calls Best Few™ prospects. As he met with fewer people and delivered more value, his growth accelerated.

IF I DON'T FOCUS ON ACTIVITY, WHAT SHOULD MY FOCUS BE?

I am often asked why the myth of activity has endured. The answer is that it is a simple and easy measurement. It gives sales managers and salespeople the feeling that they are taking a scientific approach to managing their business development efforts. It also doesn't take a lot of work on the part of the person keeping track of salespeople.

If activity is not an effective measurement to track, what, then, should be monitored? Unfortunately, the answer is not so simple. You must identify your benchmarks to success. What are the identifiable and/or measurable steps that are *indicative* of success for your sales efforts? To help you get started, let me give you a few examples of what works for many companies.

1. Your client to meeting ratio. How many people must you meet with to get a client? How many meetings must you have with a prospect for them to become a client? These measurements are by no means new, and you are probably looking at them and thinking that you already monitor them. If so, that is good. Improving your client to meeting ratio is much more effective than looking at sales as a numbers game. The beauty of this measurement is that it focuses on what you already have, not what you don't have.
2. Your profit per client. The more effective you and your salespeople are in creating value for your prospects and clients, the more profit you should expect from them. It is important that you measure profit and not revenue here, as measuring revenue alone can hide significant problems.
3. Create a benchmarked decision process that enables you to know where you or your salespeople stand relative to completing a successful sale.

STAY TUNED FOR OUR NEXT SALES MYTH

There is one caveat here. If your client to meeting ratios are excellent, if you are optimizing your profit per client, if your marketing is bringing you the *right prospects*, then, and only then, does paying attention to increasing activity lead to increased profitability. Understand I am not saying that you shouldn't see more people. What I am saying is that activity, in and of itself, does not directly lead to productivity. If you want to build a sustainable fast- growth, high-margin business, you must no longer allow yourself to be guided by the myth of activity.

In next month's issue we will address a myth that has confounded salespeople for generations. Salespeople believe that objections are good; they claim that objections represent buying signals. But objections are, in fact, bad. The "myth of objections" could be hurting your growth and margins. We will address the myth of objections and we will let you know what you can do about it.

• **Are you growing intelligently?**

INTELLIGENT GROWTH™ is what fast growth companies do to increase revenue while simultaneously increasing margins. It is shortening the sales cycle time and making salespeople more productive. It is increasing the ROI on your sales and marketing budget while creating value for more loyal customers. The result of INTELLIGENT GROWTH is increased equity value for your company and increased freedom for the entrepreneurs or executive team.

Is your growth rate what you want it to be? Are you getting the margins on each sale that you want? Are you constantly balancing the need to maintain margins with the desire to increase your growth rate?

We are very excited to announce an opportunity that you may have been seeking. Designed for the leader of your business development team, The INTELLIGENT GROWTH Coaching Program™ utilizes a variety of tools, processes and programs

companies to accelerate their growth while increasing their margins. Some of the results you can expect from participating in The INTELLIGENT GROWTH Coaching Program include:

- Increased sales
- Increased margins
- Shorter sales cycle times
- Faster growth
- Increased equity value
- More freedom
- The escape from competition
- Increased ROI on your marketing and sales budget

To launch this new one-on-one coaching program, we have reserved 10 charter member slots. Charter members can gain access to the full program at a special reduced fee. If you would like more information about this coaching program, e-mail us at coaching@ImagineLLC.com.

Imagine Sales Consulting enables companies to move their salespeople and business development processes beyond merely communicating value to truly creating value. This transformation makes companies valuable resources to their clients which leads to increased sales, increasing margins and shorter pipeline times.

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