

# SOAPBOX

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## Theme: Lead generation – the salesperson’s role

According to Peter Drucker, the Austrian born management consultant and author of *The Management Grid*: “There is only one valid definition of a business purpose; to create a customer”.

I guess we would all agree with this, however, there needs to be a few more words to complete his quote and I would add “but first you need some sales leads”. The UK IT market is highly fragmented, highly competitive and increasingly commodity, with price as the key differentiator. This has made the professional IT sales peoples’ jobs more challenging; they either have to be excellent at working out the winning price or, creative in packaging solutions where the customer perceives more value.

Both of these scenarios make the job of generating and progressing leads a major part of the sales person’s task, as there is nothing more frustrating than having a lack of leads to work on. A lack of leads means business is taken at less than the optimum price.

Sales people have two types of leads, the ones they generate themselves and the ones they are given. This second group are usually generated through marketing programmes and enquiries that come through their company’s website.

### Generated

History, and research by Forrester, shows that the non sales generated leads are usually treated like “second class citizens”. In a competitive environment good leads are hard to come by so this really is a wrong attitude and causes many leads to be wasted. A good mind set is that any lead not followed up is a sale for the competition.

Having looked at what happens to leads, and assuming that all sales generated leads are followed up, how should a sales person in the IT industry go about generating leads?

In our recently published guide to cost effective lead generation we have identified more than eighty ways to find leads and in a newsletter we received recently the author stated that there were ninety different types of referral!

So there is no shortage of ways to get leads, it is the salesperson’s job to assess all the leads he or she has and to assess the ones most suited to their company’s business model.

It is not really how leads are found that is most important it’s the follow up that counts. It’s what the seller says to their suspect that matters. In a commoditised environment customer value is what matters.

“We’ve got a fantastic new range of servers” is not really going to impress a prospective buyer, but “our new range of servers will reduce your support costs” might.

Better still though is “I have spent some time looking into how we can improve your IT infrastructure and I can reduce your annual costs by 25 per cent”. This will immediately get the potential buyers attention because it talks about their business and the value you can bring to them.

### Speeding

This type of approach is proactive and that helps your chances of shutting out the competition and speeding the sales process. On the other hand, if you are asked by a prospective buyer what you can do to help their business, either verbally or through an invitation to tender, it is likely that someone has beaten you to it, and you have to play catch up. This doesn’t mean to say that it is impossible to win from this position, but it will probably cost you money (margin) to so do. If you have not been party to influencing this type of lead, the rule of thumb is to qualify out. It is better to spend your time creating and



developing opportunities where you have a better than 50 per cent chance of winning and you do this by following a few simple guidelines.

- Generate as many leads as possible and follow up.
- Qualify your targets carefully – quality is better than quantity.
- Thoroughly understand the potential customer’s business.
- Identify where your products and services can improve their business performance.
- Formulate your approach - buyers are only interested in their business, not yours.
- Put some value (real pound benefits) on the table early – you set the benchmark.

This process is time proven, it works, and it will elevate your credibility with your buyers.

Finally, when you are near to the close, it well worth remembering that the price is never too high, it’s the value that’s too low.