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IMPLICATIONS FOR EXECUTIVES: Qualifying Sales Opportunities

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For many salespersons the question, "Is this deal qualified?" is one they dread to answer. It comes from sales colleagues, from pre-sales and marketing types and from the boss. It's a query that is difficult to answer because qualifying sales opportunities is not merely a step in a process that is "checked off" as a yes or a no. It is an essential part of the continuing sales life cycle process itself. So, as conditions change within a sales campaign, an opportunity could easily be qualified one day, and not qualified the next.

The purpose of sales qualification is to establish the "quality" or close-ability of each sales opportunity in our pipeline in order to prioritize our efforts and properly allocate sales resources. Therefore, answering a question like, "How many do they want to buy and when do they want to buy them?" barely scratches the surface of the information that we need to know. What we really want to understand is why a prospective client would want to buy something in the first place, and how could they buy it if they wanted to. We need to qualify our prospective clients for why and how by qualifying for intention and means.

Intention

Understanding intention requires knowledge of the prospective client's industry and business, their business goals and objectives, and how the business is performing against those goals and objectives. A business need, which precedes an intention to buy, shows up as an inconsistency between where they are today, and where they want or need to be in the future. Whether the client discovers their need on their own or with sales assistance, we then proceed to help them identify an appropriate solution.

Sales qualification commences with a powerful one-word question: Why? To fully understand a prospective client's intention we need to ask questions like:

- Why does this discrepancy discovered represent a problem (or opportunity)?
- Why does this discrepancy exist?
- Why hasn't the client done something about it before?
- What benefit would result from solving this problem?
- Why would the client invest money to solve this problem rather than investing to address a different need that the company has?
- What are the risks involved in challenging this issue?
- Why couldn't the client let someone else in the organization solve this problem?
- Why not just "do nothing" and hope it works itself out on its own?

The answers to questions like these reveal not only corporate intention to buy, but individual intention as well.

Means

If we are able to determine that our prospect has a motive to buy, then we will want to qualify for means. We will need to know:

- Can the client afford the solution we will propose?
- How will the client justify the purchase?
- How will the deal ultimately be approved?
- How does the client plan to pay for it or finance it?
- Who will execute the contract or release the Purchase Order?
- Who must give their approval before the contract signer can sign?
- Does the client have the appropriate resources to fully utilize the proposed solution?
- Can the client really derive the value that they are seeking?
- Once they do, will the client be willing to act as a reference for your next prospective client?

Unless we have a clear understanding all of these elements we have not fully qualified the deal, because many of these can drastically impact the close-ability of the opportunity. It is very common to discover that your client hasn't yet considered all of these concerns. But, to conduct a bullet-proof sales campaign, you'll want to understand all of these variables and many more.

Opportunity

If the prospective client has the intention to buy and the means to buy, you can provide them the opportunity to buy. But, we should only do so in proportion to their intention and means. In many market sectors providing a prospective client the opportunity to buy involves a significant investment on the seller's part. Beyond time and effort - both of which represent a financial investment - there may be travel required, products to demonstrate, and proposals to prepare, and reference clients to talk to or visit. An investment of this kind should be approached the same as any other investment, by thoroughly weighing the possible risks verses the potential rewards.

Understanding your client's intention and means will involve a level of research, and asking a whole lot of questions. But, having the important information with which to study and prioritize prospective client opportunities, and thereby optimize the investment of valuable resources, is well worth the work our investment of effort and finances.