

Preparing a Business for Sale - The Sales Process

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Can you convince a potential buyer that you are making the most of your sales opportunities?

Unfortunately, in many companies the sales process consists of a group of people essentially waiting for orders to turn up. Sometimes, the process may involve chasing contracts when they are known to be coming, but otherwise there can be very little pro-active activity apart from this routine lead-generation.

In today's competitive world, this is simply not good enough. There is a need to have an effective and efficient sales process together with a consistent means of measuring it. If you can convince a potential buyer that you have this in place you are likely to increase their interest in you in addition to enhancing the value of your company. There are several things that an enlightened buyer will be looking for which have been highlighted below:

An Effective Process

Do you understand what you are selling?

This is not directly about your product or service, what you are selling quite simply needs to be a *solution to a customer problem*. After all, why do your customers buy from you? Because your technology is exciting? I don't think so! Because your product is sexy? Nope! Most customers only buy when what you are offering actually helps them to make their business run better, either by solving a problem or by enabling new opportunities to be taken. So, if you realise this you will be in a better position to deliver a more effective sales proposition as you will be seeing things directly from your customers' point of view.

Do you understand who you are selling to?

How often do you win the initial evaluation, but end up losing the sale? This is usually because the people who actually place the order are different from the people who do the evaluating (to eliminate non-qualifying suppliers). So, do you know who evaluates, who approves, who holds the budget, who has to sign off, etc? What are their respective views of their business, what problems are they trying to solve, and, consequently, what are their views of the relative merits of your proposition? If you can't show a prospective buyer that you understand this, and act upon it accordingly, the buyer is likely to conclude that you are just not making the grade.

Are you taking the trouble to find out what your customers are trying to accomplish and how they work?

Otherwise, how will you be able to craft appropriate proposals for them, and how will you know that what you are proposing will be acceptable?

What happens after an order is placed? Who is responsible for delivering customer satisfaction? Who owns the relationship with each customer?

Does the sales team pass the order directly to the operations team to execute and deliver? Or do they make themselves accountable for customer satisfaction every step of the way including post delivery?

Does your company have the concept of account management, where account managers are empowered to interact at all levels in order to ensure the relationship with each customer is properly managed? Thus building a more personal rapport with the customer whilst providing on-going reassurance and confidence that you are doing the job well and on schedule.

Efficient conduct of the sales process:

Can you tell the difference between activity and progress?

Is there a clear understanding of the steps within the sales process, and how do these relate to the steps that the customer takes in their buying process? Do you understand the customer's buying process? What about the customer's order ratification and sign-off process, for example?

If your sales process is well-defined, it is obviously clearer for the sales team to understand, implement and manage their objectives i.e. "We had a great meeting with that customer" no longer means "We had a friendly chat", but "We made positive steps towards a sale".

How do you measure the sales funnel?

Unless your sales cycle (the time between lead identification and order placement) is very short, you should be measuring it. This allows you to more accurately forecast future business, associated cashflow and get an advanced warning of possible shortfalls, or increased demand. So think about: How many leads do you have? How many real prospects? Are the terms of these areas properly defined within your organisation?

How do you measure sales effectiveness?

What are the critical parameters in your sales process? Ratio of 'first meetings' to 'contracts'? Number of active prospects? Number of sales calls it takes to win a contract? Do you measure these parameters? Are they improving or getting worse? How do your figures compare to industry norms, if available?

A prospective buyer of your company will be impressed if you can deal with all of the above, and should therefore value your business more highly as a result. Plus, it is good practice anyway - to help build a better and wholesome business.

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