BSBSLS407
Identify and plan sales prospects

Release 1

Learner guide

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Aspire Version 1.1

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BSBSLS407 Identify and plan sales prospects Release 1

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Contents

Before you begin

This learner guide is based on the unit of competency *BSBSLS407 Identify and plan sales prospects*, Release 1. Your trainer or training organisation must give you information about this unit of competency as part of your training program. You can access the unit of competency and assessment requirements at: www.training.gov.au.

How to work through this learner guide

This learner guide contains a number of features that will assist you in your learning. Your trainer will advise which parts of the learner guide you need to read, and which practice tasks and learning checkpoints you need to complete. The features of this learner guide are detailed in the following table.

Feature of the learner guide	How you can use each feature
Learning content	Read each topic in this learner guide. If you come across content that is confusing, make a note and discuss it with your trainer. Your trainer is in the best position to offer assistance. It is very important that you take on some of the responsibility for the learning you will undertake.
Examples and case studies	Examples of completed documents that may be used in a workplace are included in this learner guide. You can use these examples as models to help you complete practice tasks and learning checkpoints. Case studies highlight learning points and provide realistic examples of workplace situations.
Practice tasks	Practice tasks give you the opportunity to put your skills and knowledge into action. Your trainer will tell you which practice tasks to complete.
Video clips	Where QR codes appear, learners can use smartphones and other devices to access video clips relating to the content. For information about how to download a QR reader app or accessing video on your device, please visit our website: www.aspirelr.com.au/help
Summary	Key learning points are provided at the end of each topic.
Learning checkpoints	There is a learning checkpoint at the end of each topic. Your trainer will tell you which learning checkpoints to complete. These checkpoints give you an opportunity to check your progress and apply the skills and knowledge you have learnt.

Foundation skills

As you complete learning using this guide, you will be developing the foundation skills relevant for this unit. Foundation skills are the language, literacy and numeracy (LLN) skills and the employability skills required for participation in modern workplaces and contemporary life.

The following table outlines specific foundation skills noted for your learning in this learner guide.

Foundation skill area	Foundation skill description
Reading	• Analyses and evaluates textual information to develop research strategies, integrate facts and ideas and meet organisational requirements
Writing	• Creates documents using specific and detailed language to convey explicit information, requirements and recommendations
Oral communication	• Presents information using clear language suited to the audience • Uses listening and questioning skills to check and confirm understanding
Numeracy	• Applies ratios and percentages and relevant formulae to data to calculate and interpret time durations and establish financial goals
Navigate the world of work	• Follows explicit and implicit organisational objectives, protocols and legal requirements
Interact with others	• Tailors communication to achieve purpose, demonstrating a sophisticated understanding of audience needs • Collaborates with others to achieve organisational objectives
Get the work done	• Sequences and schedules complex activities of self and others and monitors implementation • Uses systematic, analytical processes in complex, non-routine situations, setting goals, gathering relevant information and evaluating options against agreed criteria • Monitor implementation of solutions and reflects on outcomes to identify appropriate action • Develops new and innovative ideas through exploration, analysis and critical thinking • Uses main features and functions of digital tools to complete work tasks and access information

What do you already know?

Use the following table to identify what you may already know. This may assist you to work out what to focus on in your learning.

Topic	Key outcome		Rate your confidence in each section
Topic 1 Employ prospecting methods and qualify prospects	1A	Identify, consider and evaluate strengths and limitations of a range of primary and secondary prospecting methods	❑ Confident ❑ Basic understanding ❑ Not confident
	1B	Select appropriate prospecting methods and target present, previous and new clients	❑ Confident ❑ Basic understanding ❑ Not confident
	1C	Research and establish criteria for qualifying prospects that represent a standard against which buying potential is gauged	❑ Confident ❑ Basic understanding ❑ Not confident
Topic 2 Manage prospect information	2A	Develop and implement a system for recording prospect information	❑ Confident ❑ Basic understanding ❑ Not confident
	2B	Monitor and evaluate the effectiveness of the recording system and refine as necessary	❑ Confident ❑ Basic understanding ❑ Not confident
Topic 3 Establish individualised sales plan	3A	Establish consultation and communication structures with clients and supervisors	❑ Confident ❑ Basic understanding ❑ Not confident
	3B	Establish individual sales goals and quotas based on sales and marketing objectives	❑ Confident ❑ Basic understanding ❑ Not confident
	3C	Plan and document an individualised sales plan to achieve sales quotas within time frames	❑ Confident ❑ Basic understanding ❑ Not confident
	3D	Monitor, evaluate and adjust the sales plan as necessary	❑ Confident ❑ Basic understanding ❑ Not confident
Topic 4 Complete sales paperwork and reports	4A	Establish a system to collect, record and organise sales data using available technology	❑ Confident ❑ Basic understanding ❑ Not confident
	4B	Complete routine reports at regular intervals using available technology	❑ Confident ❑ Basic understanding ❑ Not confident

Topic	Key outcome		Rate your confidence in each section
Topic 5 Organise your workload effectively	5A	Establish routines and times for tasks and unanticipated events to provide work structure and to manage workload	❑ Confident ❑ Basic understanding ❑ Not confident
	5B	Analyse time spent on work and apply time-management strategies	❑ Confident ❑ Basic understanding ❑ Not confident
	5C	Delegate tasks to individuals to share the workload	❑ Confident ❑ Basic understanding ❑ Not confident
	5D	Identify and monitor symptoms of stress and seek expert assistance	❑ Confident ❑ Basic understanding ❑ Not confident

Topic 1
Employ prospecting methods and qualify prospects

Prospecting involves finding the right buyers for the product or service you are selling. It requires you to reach out to potential clients in the hope of finding new business.

In some organisations salespeople seek prospects as part of their job role, while in other businesses there may be a team of dedicated prospectors who only handle prospecting for new business while sales activity is handled by sales representatives or account managers. There is a diverse range of prospecting methods and tools that you can use to initiate contact with potential clients.

Qualifying your prospects means finding out not just who they are, but also what they do, what they have and what they need. The objective of the qualification process is to determine how well suited your product or service is to the potential client's situation, and whether they have the authority and resources to make the decision to buy.

In this topic you will learn how to:

1A   Identify, consider and evaluate strengths and limitations of a range of primary and secondary prospecting methods

1B   Select appropriate prospecting methods and target present, previous and new clients

1C   Research and establish criteria for qualifying prospects that represent a standard against which buying potential is gauged

1A	Identify, consider and evaluate strengths and limitations of a range of primary and secondary prospecting methods

While sales prospecting is routinely associated with cold calling, advancements in technology mean there is now a wide range of prospecting methods that increase the productivity and performance of the prospector's role. While cold calling is still widely practised, prospecting representatives frequently use email, text-message marketing and web analytical tools to engage with potential clients or customers.

Different situations require different methods. It is essential that you identify, consider and evaluate the strengths and limitations of a range of primary and secondary prospecting methods and figure out which method works best for you and under what circumstances.

Difference between prospects and leads

'Leads' and 'prospects' are two terms that you are likely to hear on a regular basis. People have differing definitions for these terms, but generally:

- A lead is someone who has not yet given you permission to engage with them or has provided you with basic contact information that points towards a potential sales opportunity.
- A prospect is a qualified and interested individual who, through two-way interaction, has demonstrated that they are preparing to make a purchase decision.

Some helpful definitions:

- A prospect is a contact, lead or potential client who has not yet been qualified.
- A qualified prospect is a prospective client whose buying potential has been evaluated against a set of established criteria.

Primary and secondary prospecting methods

Primary and secondary prospecting methods relate to the ways you gather information about people so you can engage them and turn them into clients.

Research your prospects as much as you can to prequalify them. A wealth of information is now available online. By simply entering a prospective client's email address into an internet search engine, you may discover valuable information about the prospect, including their geographical location, marital status, place of employment or job title. You can then use all of this information to evaluate the prospect and tailor your sales presentation accordingly.

Here is an explanation of primary and secondary prospecting methods.

Primary prospecting methods	Secondary prospecting methods
Primary prospecting methods gather original information directly for your purpose, rather than being gathered from published sources. Primary prospecting methods include:	Secondary prospecting methods gather existing information through available sources. Secondary prospecting methods include:
• cold canvassing • networking • personal observation • telemarketing.	• databases • internet research • newspapers • public records.
Primary prospecting methods give you control over the type of questions you ask and the information gathered. The results of primary prospecting methods can be extremely valuable; however, they can also be time-consuming and costly.	Secondary prospecting methods allow you to make the most of existing information about your target market. However, it can be challenging to find the information you really need.
You may choose to use primary prospecting methods once you have conducted secondary prospect research to determine what information already exists.	You can use secondary prospecting methods to get an initial understanding of your target market. However, be careful how you interpret the information gathered from secondary methods, as it may have been collected for a different purpose or from a market segment that isn't relevant to your organisation.
	Make sure the information you gather from secondary prospecting methods is up to date.

Cold canvas

Cold canvassing is the solicitation of business from people who may be potential clients and have had no prior contact with the salesperson conducting the call or visit. Cold calling is commonly used in an attempt to convince potential clients to purchase the salesperson's product or service. An effective cold canvassing approach can yield long-term clients and customers.

Cold canvassing allows you to engage in meaningful conversations with prospective clients and gain valuable insight into their specific needs and preferences.

However, if you do not use the right approach or define your contact list, cold calling can be an overwhelming and time-wasting endeavour. It relies heavily on making a good first impression and securing an appointment for follow-up.

Here are some tips for cold canvassing.

Tips for cold canvassing
• Instead of casting a wide net, narrow down your list and target your audience.
• Work hard to ensure all the people on your call list are potentially interested in your product or service.
• Create a list of prospects that fit your target profile
• Avoid making unwanted phone calls.
• Make sure you call people within legislative times.
• Check that the people you call are not on a 'Do Not Call' list.
• Before making cold calls, set clear goals; your main objectives are to make a good first impression and to secure an appointment.

Direct mail

Direct mail is one of the most common and recognised forms of direct marketing. This is posted mail that advertises your organisation and its products and services. Direct mail campaigns are generally organised geographically and sent to all postal prospects in an area, or to all prospects on a list. Common types of direct mail include catalogues and postcards.

Be aware of the benefits and disadvantages of using direct mail for prospecting clients, as shown below.

Benefit

The benefit of direct mail campaigns is that they encourage good prospect response rates by precisely tailoring messages to audiences and by allowing prospective clients to read your advertisement without being distracted by competing advertising.

Disadvantage

Direct mail will be unsuccessful if:

- the design is not well planned and prepared by a professional designer
- the material is not designed to have an impact on your particular target audience
- the messages are too long or confusing.

Databases

A prospect database is a repository of non-customer names and addresses that have been overlaid with descriptive data. This descriptive data may include demographic elements such as age, income, length of residence, marital status and children. Other elements may include mail-order responsiveness, buyer behaviour or special interests.

Databases are a valuable tool for organising and managing prospect information. A comprehensive and detailed database provides you with general knowledge about your target market, and also specific knowledge about individual prospects. Databases are especially useful for direct mail campaigns, as they allow you to efficiently create a mailing list for a specific promotion based on a range of identifiable data.

A major challenge for databases is the lag time between when the data is acquired and when the database is used. A more favoured contemporary approach is real-time proximity marketing: the localised wireless distribution of advertising content associated with a particular organisation.

Internet and social media

Researching on the internet is a quick and easy way to locate readily available information about prospects. One of the most effective online prospecting methods is the use of social media.

Social media are internet services that encourage you to interact with others, and to share and create content through online communities, and they present valuable marketing opportunities.

Using social media also has its risks. You could waste valuable time and money for little or no tangible return. The rapid spread of the wrong kind of information about your organisation or negative reviews could be detrimental to your sales objectives.

Social media:

- can reach millions of people around the world
- give you the ability to target particular groups, often in particular locations
- allow you to promote your business, goods and services
- help you find out what prospects think about your organisation
- are usually free or reasonably affordable
- allow you to communicate on a personal basis with individual prospects or groups.
- are an efficient way to distribute information to many people
- require you to have high-level technological skills or sophisticated computer equipment to participate.

Journals, magazines and newspapers

Journals, magazines and newspapers are useful reference materials for gathering important prospect information. They provide information about the national and local economy, and announce the activity of prospective individual and business clients.

However, some publications tend to exaggerate the facts and report on findings that are unfounded or unconfirmed.

Journals, magazines and newspapers can be accessed either online or in print form.

Here is information about types of publication.

Newspapers, journals and specialty publications
Daily and weekly newspapers cover local news stories and may cover small business not noted in other reference materials.
National newspapers cover larger companies and business and industry trends.
Trade journals focus on an industry or market, such as financial services, training or computer services.
Specialty publications focus on a defined market. Articles in these publications often offer the most focused, in-depth coverage of an industry or special interest.

Media advertising

Media campaigns help you generate prospects by delivering marketing and advertising to mass consumer segments. A successful advertising campaign spreads the word about your products and services, attracts potential clients and generates sales.

There are a variety of media advertising options to choose from. The most suitable advertising option for your organisation will depend on your target audience and the most cost-effective way to reach as many members of this audience as possible.

Media advertising can be expensive, and it will not be successful if you have not designed the advertisement with your target prospects in mind. Too much information or an advertisement that does not attract, impact or engage prospects will be a waste of money and have limited success.

Appropriate media advertising can include the following:

- Newspaper advertising can promote your organisation to a wide range of prospects.
- Advertising in a specialist magazine can reach your target audience quickly and easily.
- Radio advertising can reach prospects you have identified as listening to a particular station.
- Television has an extensive reach and is ideal if you cater to a large market in a large area.
- Directories target specific audiences.
- Outdoor billboards are eye-catching, but may be expensive and more suited to large organisations.
- Transit advertising reaches a large section of the population, but may be expensive.

Networking

Networking is about interacting with people and engaging them for mutual benefit. Networking allows you to make contact with prospective clients and build relationships that could produce referrals. You can network face to face at social events and conferences or through industry associations. You can also network online through social media sites such as LinkedIn and Facebook.

Networking is an effective prospecting method, as it allows you to raise your individual or organisational profile, share ideas and find out about innovations that may improve your business and attract new clients. Networking can lead to important introductions with prospective clients or sponsorship from potential donors.

It is common for people to feel nervous or apprehensive about networking. Having a wide network offers more opportunities. If you do not expand your networking beyond your current range of contacts, you will limit your ability to reach a higher number of prospects.

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Public relations (PR)

Prospective clients' perceptions of you and your organisation are shaped by direct experience, the actions and personal observations of others, and the statements you make in the media and marketplace.

Public relations tools include media relations, advertorials, business events and community relations.

Public relations involves communicating in public, which means your organisation is subject to a range of ethical and legal considerations. Laws on defamation, privacy and copyright apply to your organisation when transmitting information or expressing views.

Every message you release influences prospects' opinions about you. Keep your public statements consistent with your organisation's key messages.

Public relations strategies allow you to:

- guide perceptions of your organisation to attract prospective clients
- strengthen the loyalty of existing clients
- communicate with your target market
- develop business relationships and reputations
- cultivate relationships with prospective clients
- promote positive attitudes and behaviours towards your organisation
- convert prospects into clients
- have a greater degree of control than broadly targeted advertising campaigns.

Public records

Public records include any information, minutes, files, accounts and other records that a government body is required to maintain, and that must be accessible to scrutiny by the public. This includes files of most legal actions. Public records are not considered confidential. Public records can include prospect information such as business addresses, phone numbers and possible dates of employment.

While public records databases include options to search for key people, search facilities are usually limited to persons who are officers or directors of companies. Some databases include shareholders of public companies.

Web-based public records research systems allow you to locate and analyse information on people, businesses and interrelationships. You can also use public records to research potential clients in order to avoid any possible conflicts of interest with existing clients or professional relationships.

One limitation of public records is that you may be required to pay a fee to retrieve a record or to subscribe to a particular public records research system.

Referrals and intra-organisational leads

Ask your existing client and industry networks for testimonials or endorsements and add these to your website, social media or marketing materials. When you provide excellent customer service, you create a positive experience for your clients and in doing so market your brand to them. In turn, existing clients may spread the word about your excellent service and you can win referrals. You may gain a lead from a colleague or other employees.

However, over-reliance on intra-organisational leads can lead to an inbred organisation that lacks breadth of ideas. Relying too heavily on referral programs can create cliques within certain business networks, leading to resentment and friction with other organisations.

You can increase your number of prospects and leads by starting a process for referrals, which can include:

* making your existing clients aware of who your ideal clients are
* offering incentives to encourage your clients to refer contacts to you
* using your intra-organisational network to obtain new leads
* having special selling steps in place, such as free consultations, to stimulate sales from referrals.

Spotters

Spotters are usually junior salespeople who are employed to locate prospects of a specified social status in a particular territory. The title of 'spotter' refers to the act of spotting or locating prospects. The work of spotters is purely to locate these prospects and report them to the senior salespeople, who will take over the responsibility of selling as the experienced professionals.

An example is where a junior salesperson conducts a detailed survey that is followed up by a phone call from a senior sales representative.

Spotters are useful for allocating what may seem like tedious but essential tasks for reaching out to potential buyers. However, the use of numerous salespeople in the sales pipeline can be a timely and costly process. Where there is a lack of communication between a spotter and a sales representative, important prospect opportunities can be lost or not adequately followed up.

Telemarketing

Telemarketing involves contacting prospects by phone to offer your organisation's products or services. It may include cold calling, follow-up calls, fundraising calls, market research or database updates. Organisations running telemarketing campaigns either use their own sales staff or outsource to a specialist call centre.

A successful telemarketing campaign turns prospects into clients.

Successful telemarketing campaigns tend to be highly targeted, relying on accurate and well-defined prospect data that matches the organisation's target audience and client profiles to specific products and services.

Telemarketing is personal and interactive, and capable of generating new clients in large volumes. However, because many organisations use telemarketing, people's tolerance of and responsiveness to these campaigns has significantly reduced. You should approach telemarketing campaigns with clear thought and caution.

Sales brokers

Sales brokers (also known just as brokers) are experts in helping their clients to buy and sell products and services. A sales broker usually charges a percentage of the final sale price as a fee for their work.

However, you might feel you lack control over the prospecting process if you are used to doing everything yourself. You also might feel some pressure to accept a broking contract you are not satisfied with, or pay a fee for services that you consider unreasonable.

If you do secure a sales broker, assess their experience and expertise before you hire them.

Here are some facts about sales brokers and their role in prospecting sales.

Facts about sales brokers
• Sales brokers have experience in sales techniques and negotiation skills, and feel confident and comfortable requesting specific information from prospects.
• Sales brokers can save you time by screening or prequalifying prospective clients and deciding who should be contacted.
• Sales brokers usually have a list of contacts who are looking to buy.
• Sales brokers can remain independent through the sales process and work efficiently towards selling your organisation's goods and services without emotional attachment.

Example: identify the strengths and limitations of prospecting methods

Sally is the sales manager at a wholesale stationery company. The organisation has always used a direct mail campaign to advertise itself to prospective clients. These campaigns usually involve mailing out a product brochure with an accompanying letter detailing current promotions and special offers. In the past, the campaigns have been very successful, as the design and presentation of the brochures were well set-out, succinct, visually engaging and informative.

In the last two years, Sally has noticed that these campaigns are having a considerably lower effect, and the increasing costs of postage have meant they are costing more than the business they are bringing in.

Sally meets with the executive management team to discuss the possibility of investing in contemporary tools that collect actionable data about prospective clients. She believes this will help the company's salespeople connect with more prospects to produce more effective outcomes.

After conducting an extensive amount of market research, Sally discovers that most of the company's existing and potential clients are connecting on social media via LinkedIn. She sees the benefits of using social media as a primary prospecting method, as they provide a cost-effective and efficient way to distribute information to many people on a personal level. Sally is also pleased to find out that using social media does not required high-level technological skills or sophisticated computer equipment to participate.

Practice task 1

Read the case study, then answer the questions that follow.

Case study

Malcolm is the owner of a large company based in Sydney that sells agricultural products and machinery to clients throughout rural NSW. Malcolm specialises in selling Jenny Darling ride-on mowers, and is planning a state-wide television and radio advertising campaign to promote a sale of the mowers at discounted prices. He intends to use the campaign to attract prospective clients who will continue to purchase their agricultural goods and machinery from Malcolm's store in the future.

While Malcolm entrusts the store to the safe hands of his business manager, he also intends on travelling throughout rural NSW and visiting rural property owners directly to discuss how he could meet their agricultural supply needs at a reasonably agreed price. He hopes that his cold canvassing prospecting approach will provide a meaningful opportunity to engage with his target clients. He also hopes that this personal approach will encourage potential and existing clients to refer his store to their friends and colleagues.

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1. Describe the strengths of Malcolm's prospecting methods.

2. Describe the limitations of Malcolm's prospecting methods.

1B Select appropriate prospecting methods and target present, previous and new clients

You need to select appropriate prospecting methods to reach present, previous and new clients, and match the market towards which your product or service is targeted.

Clients decide quickly, move often, change their minds and shift their loyalty easily. Smart businesses make ongoing efforts to forge relationships with prospects who meet their ideal client profile and to convert those prospects into clients.
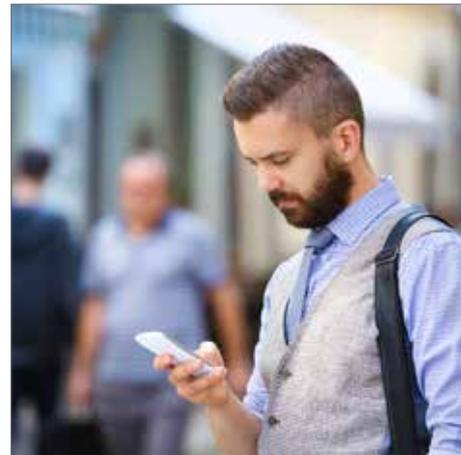
Identify your clients

Your clients may be consumers, customers, members, patients, employees or colleagues within your organisation. Profiling your clients gives you the opportunity to understand a range of key information about them, including their income level, location and buying behaviour.

Researching your clients to create a client profile helps you to understand who they are, so you know how best to reach them from a prospecting perspective. For example, if your clients are active in the local school community, you could promote your business by sponsoring the school fete each year.

Create a client profile by making a list of the characteristics of the people who will buy your product or service.

A client profile may include:

- age
- family arrangement
- gender
- occupation
- income level
- education
- cultural background
- geographical location
- distance from your organisation
- type of residence

- personality type
- buying behaviour; for example, comfort, convenience
- buying pattern; for example, seasonality, usage rate
- lifestyle choice; for example, health consciousness
- expectations; for example, service, quality, risk
- special interests.

Target your market

Today's clients change their product and service providers regularly, so organisations need to work hard to engage new clients, maintain existing clients and recover lapsed clients.

Researching your market helps you target your ideal client, identify new market opportunities and improve your sales performance. You can develop strong prospecting strategies based on what you find out about your clients, your competitors, your industry and the challenges in your marketplace, as well as identifying areas of your organisation that could be updated or changed.

The key is to find people who fit your ideal client profile. Remember that only those people who need your products and match your ideal client profile are likely to become prospects for sales. Do not waste your valuable time and money on contacts who are unlikely to buy from you.

Here is some information to help when you are contacting new clients, existing clients and lapsed clients.

New clients

Many organisations struggle to find new clients. Conventional approaches to prospecting, such as making cold calls or sales presentations, can be difficult and confronting for business owners who lack sales and marketing experience. However, there are a variety of other ways you can find new clients. With careful planning, you can improve your chances of success.

Conduct research about potential clients using newspapers, journals, magazines, public records or your organisation's prospecting database. Shape your potential clients' perception of your organisation by employing public relations tools such as media relations and advertorials, hosting business events or engaging in community relations.

Existing clients

It is important that your work to find new clients does not stop you from delivering a high level of service to your existing clients. Satisfied clients who enjoy good customer service bring repeat business and contribute a large percentage of your sales. They can also refer other buyers to your business.

Most people welcome contact from familiar businesspeople who make an effort to understand their needs and build a personal relationship. Increase sales to your existing clients by maintaining reliable client records and choosing simple, well-planned prospecting tactics. Social media are an effective way to reach clients who have already engaged with your organisation online. Consider joining business associations or attending networking events that you know your existing clients are also a part of.

Lapsed clients

You can use direct marketing or telemarketing tactics to re-establish relationships with clients who have not returned to your business for any reason. Media advertising allows you to specifically target a market segment identified from your list of lapsed clients. Approaching lapsed clients is an opportunity to rekindle sales, keep your client records accurate and find out why your clients moved on.

Organisations welcome a personal call from a business.

Select appropriate prospecting methods

Before you begin any prospecting activities, you need to know what your clients want and why. Good client research helps you work out how to convince your clients that they need your products and services.

Prospecting can be very expensive, so it is important that you select appropriate methods for each particular segment. Identify smaller groups of people with similar characteristics who may be seeking similar features or benefits from your product or service.

Consider how many people you need to reach in order to achieve your expected level of sales, and the cost and time of each prospecting method.

In the first year or two, you may need to spend a lot of time and money gaining new clients before you can rely on word of mouth, referrals and repeat clients.

Select appropriate prospecting methods

Here is a table that illustrates how a gym selects prospecting methods to target different market segments.

Client characteristics	Market segment	Prospecting method	Predicted effectiveness	Potential cost
Example: males and females, health conscious, mid–high income, all ages, inner-city locations	Corporate females interested in stress management	Brochures distributed in mainly female workplaces with specials for Pilates classes	200 brochures distributed with 2% conversion rate equals 4 new clients	$50
Example: males and females, health conscious, mid–high income, all ages, inner-city locations	Young males interested in body building	Advertisement with body-building photo in local sports newspaper	Readership of 2,000 with conversion rate of 1.5% equals 30 new clients	$250

Develop a prospecting plan

Make the most of every opportunity you have to turn a prospect into a client by developing a prospecting plan. Your plan should outline useful information to distribute to your prospects through media such as e-newsletters, your website and social media, presentations, marketing and signage.

You can also use your prospecting plan to ensure your information stays relevant, provocative, short, professional and informative by offering useful industry news, trends and business tips. Many potential clients have rejected businesses after receiving inappropriate, repeated or annoying advertising material.

Use your prospecting plan to calculate and define:

- how many genuine prospects are likely from your contacts or leads
- how many new client accounts you can realistically open
- what average sales volume you can expect from new accounts
- how to follow up potential clients regularly without losing impact.

Use a prospecting plan

Your prospecting plan helps you identify your approaches to converting prospects into clients.

Here are a variety of tactics you could consider (from Queensland Government Business and Industry Portal, 2015: www.business.qld.gov.au/business).

Keep good records

Maintain a list of prospects so you can inform them about new products, services, offers and business changes. Note the status of each prospect so you can tailor the information you send to them.

Make offers with meaning

Tailor offerings or incentives so they are targeted specifically to the needs of each prospect. Thorough understanding of the needs of your existing clients and your ability to quickly identify needs will help you make offers to lure your prospects.

Avoid assumptions and stereotyping

Do not always rely on first impressions and do not assume that a prospect you qualified as a lead some time ago is still ready to buy your product now.

Listen and investigate

Observe your prospect closely and ask questions that will give you the information you need about them. Make further inquiries or follow-ups to determine your prospects' interests and capacity to buy.

Plan your research

Define your purpose for making contact. For example, your objectives may be to:

- find out more specific information about your prospects' needs and wants
- build rapport
- build further awareness of your organisation's products or services
- offer information about pricing and current or upcoming promotions.

Example: select a prospecting method

Akmal is a real estate agent in Brisbane who buys and sells commercial properties on behalf of his clients in the CBD. He has had considerable success as an agent and has decided to branch out and start an agency of his own. Akmal cannot take any current clients with him and needs to use his experience, reputation and network to prospect for new clients. As the start-up costs of his new business are low, he has a reasonable budget for prospecting for new clients.

Before making contact with prospective clients, Akmal uses an online property title search system to obtain vital information relating to ownership of the properties he is targeting, including any registered interests affecting them, such as mortgages, leases and easements. He also views survey plans showing the locations, dimensions and areas of some parcels of land. By conducting thorough research prior to contacting prospects, Akmal demonstrates that he is knowledgeable and proactive, as well as experienced.

He selects the following prospecting methods and creates a prospecting plan.

Client characteristics	Client status	Market segment	Product or service	Prospecting method	Predicted effectiveness	Potential cost
Owners of commercial real estate in Brisbane CBD	Potential	Individuals and businesses who have acquired commercial real estate in last ten years	Commercial real estate service	Cold calls to Brisbane CBD property owners	300 phone calls with a 4% conversion rate equals 12 new clients	$210 for phone calls
Individuals interested in property investment and planning on purchasing in the near future	Potential	Professional males and females interested in purchasing residential apartments in the CBD	Residential real estate service	Print advertisement in *Australian Property Investor* magazine	One advertisement with a monthly readership of 112,000 and a conversion rate of 0.3% equals 336 inquiries	$500 for placing ad
Individuals and businesses wanting to rent space in the Brisbane CBD	Potential	Small businesses looking to rent less than 50 sqm commercial space in the CBD	Commercial rental management service	Direct email campaign advertising commercial properties for rent	2,000 emails sent with a conversion rate of 1% equals 20 new clients	$400 for producing html email

Practice task 2

Use this table to identify three appropriate prospecting methods that match the market to which a product or service is targeted. Provide one example each for a potential client, an existing client and a lapsed client. The first one has been done as an example.

Client characteristics and status	Market segment	Product or service	Prospecting method	Predicted effectiveness	Potential cost
[Potential gym member] Example: males and females, health conscious, mid–high income, all ages, inner-city locations	Corporate females interested in stress management	Pilates classes	Brochures distributed in mainly female workplaces with specials for Pilates classes	200 brochures distributed with a 2% conversion rate equals 4 new clients	$50
[Potential client]					
[Existing client]					
[Lapsed client]					

1C | Research and establish criteria for qualifying prospects that represent a standard against which buying potential is gauged

Qualifying prospects refers to gathering insights about potential clients in order to make a sound judgment about who to pursue. While many people may express an interest in your product or service, you need to identify who is ready to make a purchase and who is just looking. This is known as qualifying prospects. You do not want to spend time and effort promoting your business to people unless they are going to make a purchase.

You should research and establish criteria for qualifying prospects that represent a standard against which the buying potential of individuals and groups is gauged. Once you have qualified your prospects, decide where to prioritise your efforts by assessing both the probability of closing the sale and the value of the sale.

Qualify prospects

Once a lead or prospect has shown a certain level of interest in your product or service, determine whether they have a real need for what you are offering, and also whether they have the authority and resources to make the decision to purchase. All of these factors must be present for you to consider the person a 'qualified prospect'.

A prospect is unqualified when they do not meet all, or even some, of your identified criteria for moving the prospect along in the sales process. Conduct research to find out how well your prospect matches your ideal client profile. Break down your market by demographics, geography, industry, company size, budget or other relevant criteria. This allows you to focus on the prospects that most closely match your target market.

If you discover that a prospect is not qualified, you need to politely withdraw and move on to another potential client.

Qualify prospects

Here are some tips for qualifying prospects.

Tips for qualifying prospects
• Don't give out all the information about your organisation straight away. You do not want to waste your time providing details to prospects who are not serious.
• Inform prospects of a ballpark figure and then assess their reaction. This often eliminates people who are not realistic about the price.
• Politely ask about prospects' financial ability to acquire your products or services. You may want to consider using a sales broker if you feel uncomfortable asking.
• Be aware that the desire to buy does not mean the ability to buy. Some genuinely interested buyers simply won't have the funds.
• Use non-threatening language and a sympathetic tone. Use a line of questioning that encourages the prospect to relate to you and to be upfront about their feelings.
• Always take notes about key information, such as the feature or benefit the prospect most likes about your product or service.
• Let the prospect know when and how you will communicate with them next or when paperwork will be sent out.

Establish criteria to qualify prospects

When you filter prospects through a set of established criteria, you are able to paint a clearer picture of whether they are qualified or unqualified, and whether this is an opportunity worth pursuing right away.

Many of your prospects will be informed about your organisation's and your competitors' products and services, will have identified their own needs and will have started to design their own solutions, before they even think about talking to a salesperson.

There are a number of criteria or standards you can use to qualify prospects in a contemporary marketplace, such as the prospect's motives, their goals, whether they can afford to buy and the timing of their purchase.

Develop a checklist of criteria and make notes so you can gauge the interest and buying potential of the prospect. For example, they may have a strong need for a product but cannot afford it, so this prospect may be placed on a 'pursue later' or 'nurture' list.

Make comments such as this one referring to the criterion 'authority to purchase': 'I am speaking with the executive director and she said she makes the final decision. Two managers are heavy influencers, as are the team leaders, although all are not involved in the discussion with me.'

Buyer motives

Buyer motives refer to a combination of factors that influence a buyer's eventual choice of a particular product and their emotional state that helps them identify the need to purchase an item. Motives differ according to the type of product offered.

A sales team strategically takes into account key buying motives within a target consumer group in order to enhance sales of their product or service.

Here are some examples of buyer motives; as you read the list, think of other motives that you have experienced.

Problem to solve

Some prospects may already be aware that they have a need or a problem to solve, while others may not. Until your prospect is aware of the problem and realises that a viable solution is available, they will not see a need for your product or service.

Use prospecting methods to raise your prospects' awareness of the problem and pique their interest in seeking solutions. Only then are you prepared to lead your prospect through the process of analysing available solutions.

Do not waste time pursuing prospects at companies that are too large or too small to use your product or service.

Desire for more

Numerous products and services are designed to assist people in making more money. If what you are selling can make your prospects more productive, boost their revenue or cut expenses, then you have a product or service you can sell by playing to your client's desire to make more money.

Fear

Many organisations invest resources in advertising campaigns that market products to protect from real or perceived threats; for example, satellite communications systems for cars, home alarm systems and bottled water.

You can convince a prospect to buy your product or service if you can demonstrate how it provides a level of protection they don't currently have, but certainly need.

Pleasure

If you are selling in a feel-good industry, such as vacation travel, spas, hobbies and home decor, marketing to your prospects' pleasure is paramount.

But even in industries where pleasure is not the central focus, you can often sell luxury-class items by focusing on the pleasure they are likely to provide for the client or for the image the product conveys.

Buyer motives

Vanity

Your prospects not only want to feel good, they want to look good and have other people think they look good, too. Whether you are selling cosmetics, clothing, accessories, haircare products, plastic surgery or a host of other personal care products and services, your marketing and prospective methods need to target prospects' need to look and feel good about themselves.

Impulse

People often buy a product because everyone else is buying it. You should take advantage of trends in the market, because your prospects will know what they want and often purchase impulsively.

Success depends more on distributing the product and placing it in highly visible locations where purchase is convenient and accessible.

Buyer goals, plans and challenges

You need to know your prospect's circumstances before you pitch a sales presentation.

You can identify your prospect's needs by asking questions relating to their goals, plans and challenges and carefully listening to their answers. These may be personal or business-related, depending on who the prospect is.

Read about the differences between prospect goals, plans and challenges.

Goals

The goals you want to identify are the quantifiable goals your prospect wants or needs to reach. There are only a few reasons to buy any product: to make money, save money or avoid some risk of losing money. To effectively advise your prospects on how to reset or quantify their goals, you should determine how high-level goals relate to your prospects' day-to-day metrics or milestones.

Examples of questions relating to prospect goals include:

- What is the top priority of your business this financial year?
- Do you have specific company goals?
- Do you have specific personal goals?

Plans

Once you have a sense of your prospect's individual or business goals, find out about their current plans that they will implement in order to achieve their goals. Ask them why they think their plan will succeed or fail. You should also find out whether the prospect has a backup plan if their current plan doesn't work out.

During this process, you want to begin making your own assessment of whether you think their plan will allow them to reach their goal. You can move on to suggesting new and better ways that your prospect can get where they need to be by utilising your products or services.

Examples of questions relating to prospect plans include:

- What worked for you last year and what did not? What are you going to do differently this year?
- Do you think XYZ might make it hard to implement your plan?
- Do you have the right resources available to implement your plan?

Challenges

The most important moment in any sale is determining whether you can help a prospect overcome their individual or business challenges – ones they are already dealing with, as well as ones they anticipate. Your aim is to get your prospects to admit that they need assistance or are facing an upcoming challenge that requires you to help them design a solution.

Examples of questions relating to prospect challenges include:

- Do you think you have the internal expertise to deal with these challenges?
- What specific hurdles do you think may stop you from reaching your goals?
- How are you addressing these challenges in your plan?
- Can you see how our products and services can help you?

Buyer accessibility

You may face challenges relating to buyer accessibility. Accessibility is about communicating with your clients and being able to deliver your products and services to them. If your prospect does not have the means to communicate via your organisation's preferred methods, or is unable to receive your goods and services due to their geographical location, you should not pursue the prospect any further.

Keep in mind that your organisation should make reasonable adjustments in an attempt to meet the needs of a diverse range of clients with individual differences. For example, serving clients who have a physical or mental impairment can provide significant opportunities for your organisation.

The key to providing services to people who have a disability is to remember that all clients are individuals. People with disabilities also have diverse personalities, abilities, interests, needs and preferences. If appropriate and reasonable, you should make adjustments to the way you interact with prospects who have a disability to ensure your organisation is welcoming, helpful and accessible, and provides quality services.

Time lines

Once you have identified that a prospect needs your product or service, you need to determine the prospect's time line so you can close the sale effectively. If a prospect's time line requirements are more than a year away, then they are not qualified prospects. You need to concentrate on other opportunities with timing needs nearer to the present.

Sometimes prospects think that they are not ready to purchase at this time, but when you establish urgency, they decide they really do want the product. For example, if your product is in great demand, the potential of dwindling inventory could encourage a prospect to make a decision to buy quickly, instead of delaying the decision and then finding that the product must be back-ordered with no definite delivery date.

Ask these questions to determine the time line:

• How quickly do these results need to be achieved?

• When will you be implementing this plan?

• What else is a priority right now?

• What other complementary or competitive solutions are you evaluating?

• Do you have bandwidth and resources to implement your plan right now?

• Would you like help thinking through the steps involved in solving your problem?

Budget and product affordability

A qualified prospect is someone who has a sufficient budget to buy your product or service. You cannot help your prospect if they cannot afford to invest in your solution.

You need to make sure that your product has affordability, so that people can see that there is value in it. Be prepared to show the potential client how they can afford your product or service if that is their area of hesitation. Often, it's just a matter of doing the calculations to show them how affordable the item is compared to the benefit they will receive.

Find out what else your prospects are spending their money on. If they are investing elsewhere to solve the same problem and that isn't working, and you have a solution that can do this more effectively and within budget, you are likely to successfully close the sale.

Purchase authority

A qualified prospect is one who is empowered and prepared to take action. The simpler and more streamlined their decision-making processes are, the better your chances of closing a sale.

Many salespeople only want to speak to decision-makers such as owners and managers, but there are other influencers in the process who also need to be considered and approached, such as team leaders and staff members.

Additionally, you may find that final decisions are not made by an individual but by a team. Employees are often the ones who actually use and benefit from your product or service, so they can specify or influence the buying decision of their superiors.

Here are some questions to ask about purchase authority.

Questions about purchase authority
Are the goals we've discussed important to the economic buyer?
Does the decision-maker know what they want in order to overcome the challenges?
What concerns do you anticipate that your manager will have?
How should we go about getting your buying committee on board?
Do we schedule a conference call to involve the primary decision-maker?

Purchase authority

Consequences of not qualifying prospects

To avoid wasting business resources, you need to set aside unqualified prospects and concentrate your efforts on potential clients who are likely to yield a return on your investment of time, money and energy.

You do not want to spend time and effort promoting your organisation to people unless they are definitely interested in making a purchase. Many salespeople jump to their pitch too quickly, without having first gained proper understanding of their prospect's budget, authority, needs and time frame. Operating in this way will hurt your performance on several levels, as you will waste your time and effort chasing the wrong opportunities.

Here is a list of consequences of not qualifying your prospects.

Wasting time

If you're not qualifying your prospects properly, you will waste a lot of time following up and attempting to sell to prospects that are not a good fit for your organisation. Spend this time on qualified prospects and you will close substantially more deals.

Missing opportunities

Some of your ideal prospects may only become clients if you invest a certain amount of effort into getting them on board. If you don't know who those high-value prospects are, you will miss out on the chance to sell to them.

Closing bad deals

By not qualifying your prospects, you may successfully sell to people who shouldn't buy your product. This isn't just bad for the client you persuaded into a bad buying decision. Selling to the wrong client can also have negative effects for you and your organisation.

Ensure criteria measure buying potential

Make sure that established criteria for qualifying prospects represent a standard against which the buying potential of individuals and groups is gauged.

When you qualify your prospects, you are looking for some way to rank or sort them so you can prioritise your time for follow-up. Prospect scoring is a shared sales and marketing methodology for ranking prospects in order to determine their buying potential. You score prospects based on the interest they show in your organisation, their current place in the buying cycle and their fit with regards to your business.

Prospect scoring will help your organisation know whether prospects need to be fast-tracked to sales or developed with prospect nurturing. The best scoring systems use demographic and firmographic attributes such as company size, industry and job title, as well as behavioural scoring, such as slicks, keywords and web visits.

Here are some key attributes to use for your prospect scoring.

Location

If you prioritise prospects based on their geography, you can score each prospect based on where they are located.

Industry

Ensure that you are only marketing and selling to individuals or groups that are in one of your targeted industries.

Authority

Make sure you are selling to the right person and that that person is in a position to influence and make buying decisions.

Company size

Do not waste time pursuing prospects at companies that are too large or too small to use your product or service.

Revenue

Make sure you are only prospecting to companies who have the ability to purchase your product or service. Many prospects may show interest in your product, but if it is too expensive for them, they will not buy.

Page views, site searches and downloads

- Add to a prospect's score based on how much engagement they are showing with your website.
- Your prospect's searches on your site tell you about their priorities and interests.
- Specific downloads are good indications of their current stage of the buying cycle.

Email clicks

Email click-throughs can be a good indication of interest from your prospects. The more awareness a prospective client shows in your product through inquiries and specific questions, the more likely they are to purchase, especially if they receive excellent customer service and begin to build a working relationship with a salesperson.

Explicit and implicit prospect scoring

Organisations can score prospects by assigning points, implementing sequential ranking such as A (excellent) to D (possible) or using terms like 'hot' (definitely), 'warm' (maybe) or 'cold' (no). The key point is that marketing and sales increase their combined efficiency and productivity based on the clarity of a sales-ready prospect.

Consider two different kinds of information in your prospect scoring: explicit and implicit information. Fusing the two scoring systems together allows you to build a true picture of the prospect's value to your organisation, as well as your organisation's value to the prospect.

Here is information about explicit and implicit scoring.

Explicit scoring

Explicit scoring is based on information the prospect tells you or other directly identifiable information.

Demographic and firmographic attributes tell you how well the prospect compares against your ideal client profile, while qualifying criteria tell you where the prospect is in their buying process.

Implicit scoring

Implicit scoring is based on information that you observe or infer about the prospect (such as their online behaviours) to measure their level of interest in your product or service.

It can also consist of inferring additional information about the prospect based on the quality of the data you have gathered.

Social media and prospect scoring

There is no doubt that nearly every one of your prospects will use, or have access to, social media platforms.

You should factor social interaction into your prospect scoring methodology. These outside interactions are often valid signs of buying potential behaviour.

For example, if a prospect tweets that they are looking for opinions on your product or service, the activity should trigger an increase in their prospect score and create a sales-ready prospect alert. If a prospect starts following the key influencers in your industry, perhaps this is a sign they are moving closer to a buying phase, thus increasing their score.

To score properly on social media interactions, you can:

- use a social media monitoring tool, such as Salesforce for Twitter
- capture data manually for entry into your prospecting automation system
- pass data from the monitoring tool into your prospect information management system
- understand how interactions in social media affect the buying process and client life cycle.

Return on investment (ROI)

The true value of prospect qualifying and scoring processes comes from prospect prioritisation that helps sales representatives focus on the right prospects at the right time. Research has shown that sales teams who prioritise sales efforts are more likely to achieve revenue plans and meet their sales quotas than those who don't.

The prospect qualification process should increase the number of prospects converted to opportunities and decrease sales cycle times for qualified prospects. Prospect scoring ensures that sales representatives work more efficiently by focusing on the prospects likely to buy. Sales representatives can close more deals and produce more revenue for your organisation.

Prospect qualification and scoring:

* increase prospect opportunity conversion
* decrease sales cycle duration
* increase sales productivity.

Take informed action

All of the data provided to you through prospect scoring allows you to take informed action on how to handle a prospect.

Here are some steps you may take.

Assign

Assign prospects to sales representatives once they reach a certain score. Prospects can be assigned in a round robin system or based on business rules like territory. This allows for timely and equitable distribution of prospects and ensures assigned prospects are sales ready.

Assign leads who are not sales ready to nurturing campaigns.

Alert

Keep your sales team in the loop by setting up real-time sales alerts and daily emails from your prospect management system of any major changes in their prospects' buying potential. This can help them prioritise their time and focus on giving the most attention to the most promising prospects.

Nurture

Prospects who are not yet ready to be contacted by a sales representative can be assigned to a nurturing campaign. These campaigns provide information slowly to a prospect, based on a pre-determined timetable or a prospect's behaviour, until they are ready to make a purchase.

Legislative requirements

Organisations that demonstrate legal and ethical conduct build strong reputations and earn long-term client loyalty. Legal and ethical conduct also protects your business from legal risks.

The Australian Competitor and Consumer Commission can fine, penalise or even close businesses that breach the fair trading and selling terms set out in the Australian Consumer Law (ACL). Every Australian state and territory has a fair trading regulator that administers and enforces the ACL.

If you do not adhere to your legal sales obligations, your business could be fined or forced to close. Take time to research your organisation's legal selling obligations in order to protect your business.

Here are some legal obligations relating to sales.

Australian Consumer Law (ACL)

Every Australian business has the same rights and responsibilities under the ACL.

Your state or territory's office of fair trading provides information on your legal obligations when selling goods and services, including:

- door-to-door sales and telemarketing
- lay-bys
- pricing
- pyramid schemes
- online sales
- referral selling
- harassment and coercion
- unsolicited supply of goods or services
- proof of transaction and itemised bills
- handling of uncollected goods
- consumer guarantees, such as warranties, refunds and repairs.

Competition and Consumer Act (CCA)

The full text of the ACL is set out in Schedule 2 of the *Competition and Consumer Act 2010* (CCA). The CCA aims to give businesses a fair and competitive operating environment. It covers anti-competitive conduct, price fixing, unconscionable conduct and other issues, such as advertising.

The CCA also sets out consumers' rights and responsibilities. It covers areas such as returns, refunds, warranties, contracts, marketing and advertising.

The CCA contains specific provisions that regulate or prohibit a range of unfair trade practices, including:

• misleading and deceptive conduct

• the making of false representations in relation to the sale of goods and services

• unconscionable conduct

• unfair terms in consumer contracts and standard form consumer contracts.

Anti-discrimination

You must ensure that your prospecting methods and qualification process adhere to anti-discrimination law, including:

• *Age Discrimination Act 2004* (Cth) makes it unlawful to discriminate on the basis of age.

• *Disability Discrimination Act 1992* (Cth) makes it unlawful to discriminate against a person on the grounds of a disability (including a disease).

• *Racial Discrimination Act 1975* (Cth) makes it unlawful to discriminate on the grounds of race, colour, or national or ethnic origin.

• *Sex Discrimination Act 1984* (Cth) makes it unlawful to discriminate on the grounds of a person's sex, marital status, pregnancy or potential pregnancy or to sexually harass another person.

Privacy laws

How prospect information gathered through market research is protected depends on how the data was collected. Direct marketing, such as telemarketing and advertising via email, SMS or post, is covered by the *Privacy Act 1988* (Cth).

Direct marketing practices are also governed by the Australian Direct Marketing Association's code of practice and best practice guidelines.

Take the time to learn about responsible direct marketing and understand your direct marketing obligations. For example, you must not contact individuals who have formally asked not to receive direct marketing. If you understand the laws relating to unsolicited mail and telemarketing, you can avoid a regulatory breach that would incur serious penalties for your business.

Do Not Call Register

Depending on how you source your contacts and clients, you may need to check that they are not listed on the Do Not Call Register. Create an account to check your phone/fax contact lists.

The *Do Not Call Register Act 2006* (Cth) prohibits telemarketers and fax marketers from contacting individuals who list their number on the Do Not Call Register. Individuals can list their number on the register to greatly reduce the amount of unwanted telemarketing calls and marketing faxes they receive.

Spam

Spam is electronic junk mail. It is used to send bulk unsolicited promotional emails indiscriminately to a large volume of email accounts or mobile phone numbers. It can be a costly and inconvenient nuisance to your organisation.

Under the *Spam Act 2003 (Cth),* it is illegal to send unsolicited commercial electronic messages. To ensure your business keeps within the law, make sure you adhere to the following:

- Consent: you must have consent to send messages to your prospects.
- Identify: you must include clear and accurate information about your business, including who is sending the message and how they can be contacted.
- Unsubscribe: you must include an 'unsubscribe' facility to allow recipients to opt out of receiving your messages.

National standards

The purpose of a mandatory standard is to make particular safety or information features on consumer products compulsory for legal supply of the product into the Australian market.

There are mandatory safety standards for products that are likely to be especially hazardous. In making mandatory safety standards, the government protects consumers by specifying minimum requirements that products must meet before they are supplied. Safety standards require goods to comply with particular performance, composition, contents, methods of manufacture or processing, design, construction, finish or packaging rules.

Mandatory information standards are introduced to ensure that consumers are provided with important details of a product, to enable them to make appropriate personal choices. Information standards require businesses to give consumers prescribed information when they purchase specified goods; for example, ingredient labelling for cosmetics or care labelling for clothing and textile products. Information standards may or may not relate to safety.

Code of ethics, conduct and practice

Clearly defining and communicating a code of ethics and code of conduct for selling help your business meet its ethical selling obligations. Demonstrating ethical sales practices is good business, as it helps earn the trust and loyalty of your clients and strengthens your reputation. Find out which codes of practice are relevant to your business.

Here are some of the differences between codes of ethics, codes of conduct and their associated practices (from Queensland Government Business and Industry Portal, 2015: www.business.qld.gov.au/business).

Code of ethics	Code of conduct
Developing a code of ethics for your organisation helps build a culture of ethical selling. Your code of ethics may simply be a statement of principles defining the way you operate, make decisions and treat your clients, suppliers and industry peers. For example, your code of ethics may include statements such as: • We recognise that what we do is more important than what we say. • We give our customers and suppliers honest, accurate information. • We make sure our clients' purchasing decisions are based on their preference, not our pressure. • We sell our clients products today that will encourage them to return to us tomorrow. • We give our suppliers every opportunity to build long-term, loyal relationships with our business. • We compete in our market by building our own reputation, not by damaging the reputation of our competitors. Developing a code of ethics also helps you create your own code of conduct for selling.	Many businesses develop codes of conduct for ethical selling and train their sales staff to follow these closely. Codes of conduct are designed to: • describe desirable and undesirable selling behaviours • promote high standards of practice • reduce the risk of fair trading breaches • help staff make ethical decisions. The code of conduct should be written with staff and clients in mind, clearly setting out the purpose and structure of the document. Your code of conduct could include ethical conduct sections relating to soliciting of clients, communicating with customers, handling of complaints, pricing, lay-by agreements, selling methods, bills and accounts, and warranties, refunds and repairs. It may also include procedures for identifying and responding to code of conduct breaches.

Example: gauge buying potential

Westona Incorporated is engaged in the design, manufacture and sale of integrated systems for biotechnology and environmental research. Westona's prospect scoring started with very basic measures, such as forms filled out, web page visits and email click-throughs.

As sales dependence on scoring data has grown, Westona has built on that activity-based scoring and now provides the sales team with product scores in eight major solution areas. Westona scores on very specific behaviours to increase the score for each solution area and also ties in nurturing for customised communications.

Increased visibility into prospect behaviour has been critical for the sales team, as the buying cycle for Westona's research equipment is on average six to nine months. Through using a sales insight software program to see account activity increasing rapidly for specific solutions, the sales team is able to predict which prospects are actively pursuing a product and so require timely follow-up.

Practice task 3

Consider the criteria used to qualify prospects by your organisation or one you are familiar with. Use the information in this table to identify and describe how you can apply prospect qualifying criteria to a particular prospect against which buying potential can be measured. The first one has been done for you.

Criterion	Description	What I know about the prospect
Budget	The prospect has the financial capacity or funds to buy from you.	The prospect is a $4 billion company. After the second discussion, I told them the solution would be in the $750k range and they said that made sense.
Authority		
Need		

continued ...

... continued

Criterion	Description	What I know about the prospect
Timing		
Accessibility		

Summary

1. Prospecting involves finding the right buyers for the product or service you are selling.

2. The objective of your qualification process is to determine how well suited your product or service is to the potential client's situation, and whether they have the authority and the resources to make the decision to buy.

3. Researching on the internet is a quick and easy way to locate readily available information about prospects.

4. Smart businesses make ongoing efforts to forge relationships with prospects that meet their ideal client profile and to convert those prospects into clients.

5. Your prospecting plan helps you identify the best approach for converting prospects into clients.

6. Many of your prospects will be informed about your organisation's and your competitors' products and services, will have identified their own needs and will have started to design their own solutions, before they even think about talking to a salesperson.

7. Prospect scoring is a shared sales and marketing methodology for ranking prospects in order to determine their buying potential.

Learning checkpoint 1
Employ prospecting methods and qualify prospects

This learning checkpoint allows you to review your skills and knowledge in employing prospecting methods and qualifying prospects.

Part A

1. Explain the difference between primary and secondary prospecting methods and provide one example of each.

2. Explain and evaluate the use of social media as a prospecting method.

3. Describe three motives that influence a buyer's eventual choice of a particular product or service.

4. Identify two key provisions of the Australian Consumer Law (ACL) affecting business operations relating to sales.

5. Describe the purpose of national mandatory standards relating to safety or information features on consumer products.

6. List three statements that could be included in an organisation's code of ethics relating to sales.

7. Explain the difference between explicit and implicit prospect scoring and provide an example of each.

Part B

Read the case study, then answer the questions that follow.

Case study

Byron is the owner and manager of Walk Over Water, an Australian company that designs, manufactures, imports and distributes stand-up paddle (SUP) boards, paddles and accessories. The SUP boards are promoted as prime fitness tools, as well as being fun and enjoyable for all ages.

The SUP industry has seen enormous growth over the last few years and the number of manufacturers has dramatically increased as specialised SUP stores have opened across Australia and the USA. Due to an increase in competition, Byron decides to focus a significant amount of his time developing a prospect strategy and qualification process that will target the following market segments:

- new clients interested in trying SUP for the first time
- existing clients who already SUP but require quality accessories such as fins, deck grips, leashes and covers
- previous clients who have purchased an SUP board from Byron but are not using it.

1. Use this table to develop a prospecting strategy that will help Byron target new, existing and previous clients using prospecting methods.

Client characteristics	Client status (new, existing, previous)	Market segment	Product or service	Prospecting method	Predicted effectiveness	Potential cost
	New					
	Existing					
	Previous					

2. Use this table to develop a prospect qualification and scoring system that Byron could use to rank or sort his prospects and measure their buying potential.

Criteria	Description	Prospect scoring system
Motive		
Goals		
Plans		
Challenges		
Accessibility		
Time line		
Budget		
Authority		

Topic 2
Manage prospect information

Prospect management is the planning, recording and reporting of significant moments in the relationship between prospective clients and your organisation. Maintaining a good record-keeping system is essential for good business. When it comes to finding the right clients for your business, your prospecting records can help you quickly identify and meet the needs of your prospects, and make the most of every prospect interaction.

Monitoring and evaluating the effectiveness of your prospecting database allow you to generate information to help you achieve your sales goals.

In this topic you will learn how to:

2A   Develop and implement a system for recording prospect information

2B   Monitor and evaluate the effectiveness of the recording system and refine as necessary

2A Develop and implement a system for recording prospect information

A prospect management system allows you and your team members to systematically collect, record and keep track of your prospects' contact details, their existing relationships with your organisation, known needs, buying preferences, buying motives, buying patterns, available resources, issues and decisions.

Once you have gathered and recorded a sufficient amount of prospect information, you can start to make decisions about how best to convert them into clients.

Your organisation may already have a system in place for recording prospect information. If not, you may need to develop and implement a system that works for you, according to your available resources.

Whatever the situation, your prospect management system should store or reference all information and correspondence you have with each contact, lead and prospect. You can use this information to schedule future contacts and target your follow-ups to secure sales.

Types of prospect information

Be familiar with the types of prospect information that can be collected and recorded.

Prospect analytics	Prospect analytics are used to track and understand the status of every single sales prospect. Prospects can tell you a lot of valuable information about themselves even before they give up any personally identifiable information such as an email address. The information collected gives you a very strong sense of the prospect's specific needs, interest levels and potential value.
	Information may include:
	• how they arrived at your website, including what keywords they used in the search engine that brought them there, via natural search or by clicking on an advertisement
	• what they do when they get to your site, such as the pages they visit, how long they spend looking at them, what they type into search engines and what documents they download
	• where they are, via the location of their internet access point
	• what company they are from, by comparing their point of internet access against a known database of businesses
	• their social demographic, if they are a consumer, by comparing their location against postcode-based demographic data.

Social media	An email address allows you to find every piece of information a prospect has shared with the public via social media such as Facebook, Twitter, LinkedIn and other networks. This includes things such as: • photos • gender • age • job title • employer • location (confirmed rather than estimated) • comments (including tweets and status updates).
Direct contact	If you contact a prospect directly, or when a prospect makes contact with your organisation by way of purchasing a good or service or making an inquiry, you have the opportunity to collect and record specific data by asking questions and actively listening to the prospect's response. Information may include: • prospect's name and contact details • inquiry date • inquiry source – how the prospect heard about your organisation • inquiry method – how the prospect initiated contact with your organisation • geographical location • buyer behaviour – the products or services they have purchased in the past and their specific needs • affordability – the amount of money spent on goods and services in the past, or how much money the prospect is willing to spend in the future • likelihood of converting – the reasons the prospect will or won't purchase your goods and services in the future.
Correspondence	Your prospect management system should store or reference all correspondence with each contact, lead and prospect, including: • the date and time of contact • the responsible salesperson • how the contact was made (e.g. via the website, phone or email) • the content of any written correspondence or a summary of a verbal interaction • the results of the contact.

Organisational requirements

Prospect management systems must embody your organisational policies and procedures relating to prospect management. If a policy is not already in place, it must be agreed on by the sales team before any work on data input forms or reports begins.

Policies and procedures govern how information is managed within a prospect management system, and also how this information is regularly reviewed and merged with the centrally held database. Both policies and procedures should be documented in your organisation's training manual.

Organisational prospect management policy may identify:

- the kinds of prospects that are managed in your system
- how salespeople are assigned to particular prospects
- how sales objectives or key performance indicators are set
- what time limits are expected for converting a prospect into a sale.

Legislative requirements

Collecting and storing information about prospects is essential to tailoring your client service strategy and growing your business. Any prospect information that you collect must comply with state, territory and national privacy laws, whether you use the information or not.

You and your team member should seek training relating to privacy issues to ensure your business fosters a culture of security.

Here is some privacy information you need to be aware of.

Legal privacy requirements
• Privacy laws govern how your business should record, store and dispose of information.
• Protecting privacy is about safeguarding client relationships.
• Clients will move to competitors who look after their data securely if they don't believe you can protect their personal information.
• You are required under the Privacy Act 1988 (Cth) to make your clients aware of what personal information you are collecting.
• Clearly explain to your existing or potential clients how you will use their information.
• Make sure you ask your prospects if they would like to receive information or updates from your organisation and give them the choice to opt out.
• If you spam existing or potential clients without their consent, they may react negatively to your business.

Prospect management systems

Prospect management systems may include forms, databases, prospect analytics or sophisticated management systems that can be used to manage prospect and sales data. Whichever method you use to record and manage prospect information, you should promptly complete the information recording process every time you make contact with a lead or prospect.

Software packages that encompass best practice are available or your organisation my design its own system. Careful planning makes installing and using your chosen prospect management system easier from the beginning.

Use your experience, analysis skills and critical thinking to devise new methods or strategies to manage prospects.

Here are some things to consider when developing a prospect management system.

Design

Decide how you are going to design, implement and make decisions in the future about the system.

Team

Select the prospect management system team for technical support, updates and content development.

Research

Review other associations' prospect management systems to see what sorts of roles the system plays in businesses similar to your own.

Requirements

Develop a list of detailed requirements for your prospect management system based on your organisational objectives.

Developmental phases

Develop the plan in stages: where you will start and what your goals are. This will be important if and when you select sophisticated software to purchase.

Scope

Know your limits and resources. Start with a modest plan and work up in sophistication.

Use forms to record prospect information

Data collection forms make it easy to collect prospect data and ensure that the most relevant information is recorded. Forms should have areas for recording all relevant details about the prospect; for example, prospect name, phone numbers, email address, postcode, inquiry source and method, household income (if available), specific need, status and priority.

If your organisation does not use a form to record prospect information, you can develop one in a number of ways, from basic to advanced, depending on your technological expertise. You may need to seek expert advice from a software specialist to assist you in developing a prospect information form.

Here is some information on basic, intermediate and advanced levels of prospect information form development.

Basic level forms

Develop a series of paper data-collection forms to be used for different types of prospect inquiries. This information must then be entered into a prospect information database or your organisation's client relationship management (CRM) system.

Prospect information collection forms can also be produced and completed electronically and then stored in a designated folder shared by members of your sales team. The information fields can be easily changed or adapted depending on specific promotional activities or campaigns being held by your organisation.

Intermediate level forms

There are various software applications available that allow you to build powerful prospect capture forms without any HTML knowledge. Information collected through these forms can be used to build detailed prospect profiles over time.

Prospect forms take advantage of the following features that help you optimise your prospect management efforts:

- Progressive profiling allows you to display new form fields for prospects based on the data points you have previously collected, allowing you to collect new data every time a prospect fills out a form.

- Custom fields allow you to capture and track additional data points about your prospects beyond the default fields, which can then be synced with your CRM system.

- Form abandonment audits allow you to capture and store any data input by a prospect into a form, even if that data is later changed.

- Free email address blockers prevent invalid or fake form submissions and ensure that only legitimate leads with business email addresses are sent to your sales team.

Advanced level forms

For those who are more technologically advanced, create a prospect web form that enables you to collect information from your organisation's website. You can then generate a response to the person submitting the form or redirect them to a specific URL using HTML. You can also notify designated members of your team that someone has submitted a web form.

When embedded into your website, a prospect web form can automatically:

- add prospects to your prospect list
- generate email alerts
- add defined user tasks related to the new prospect
- return predefined email messages to the prospect.

You should specify a prospective account owner that will be assigned to any account generated through the web interface. The owner can be the same person for every lead or you can set up owner assignment rules to determine which team member will be set as the owner.

Databases

A database allows you to associate each prospect with a number of attributes and identifying data. You should consider buying or developing a database to organise your prospect information.

Microsoft Excel is a database application commonly used for tracking and analysing prospect inquiries. Excel allows users to organise, format and calculate data with formulas using a spreadsheet system broken up by rows and columns. In Excel, you can set up the columns for the specific data you wish to record.

Other office or business software packages are available that include purpose-designed prospecting and sales databases, or allow you or a database designer to build a customised database specifically for your organisation.

Review the capabilities of your database. Determine whether it can be used to fully manage prospects, whether it can generate reports to provide the majority of basic information needed or whether it needs to be regularly upgraded.

With a prospect database, you can:

- record, store, revise and retrieve prospect information
- classify people as prospects or leads and assign priority rankings
- document prospect status (current or lapsed), dates of contact and the nature of those contacts
- develop prospect profiles based on demographics
- track sources, responses, purchases, participation and interests of each prospect
- develop mass mailings, interest-targeted mailing, e-mailings and text-message marketing based on participation and interest
- avoid sending repeat information and correspondence to your prospects
- prioritise tasks and set follow-up reminders.

Prospect analytics

Prospect management systems are different to customer relationship management (CRM) systems. While CRM systems are effective for known contacts where you can fill in fields such as 'name' and 'company', prospect analytics track and understand 'expressions of interest'; for example, every person who visits your website.

Prospect analytics allow organisations to treat every individual they interact with online as a prospect, rather than as anonymous traffic. You can collect data around those individuals, both before and after they have identified themselves. This allows you to analyse that data and take action based on what you discover.

Prospect analytics can be connected with your CRM system or other offline processes to assist you in closing a sale.

Here are two types of applications that form part of prospect analytics.

Retrospective analysis	Dynamic response
You can use prospect analytics to look at historical data in order to understand the buying process for your clients and how successful you have been at attracting and converting prospects. Prospect analytics capture your entire interaction with a prospect in one place. You can then consider the data by identifiers like gender, income and location.	Dynamic response refers to creating the best possible outcome for your organisation by shaping your response to a prospect. Responses can be automated or manual. Prospect analytics equip you to respond to your prospects' specific expressed needs and wants.

Sophisticated prospect management systems

There is a variety of sophisticated software or sales force automation systems that allow you to effortlessly capture record and manage prospect information.

Cloud-based tools such as Salesforce™ and Maximizer™ allow users to track prospect information and interactions in one place. You can use your smart device as a portable sales office to access all prospect information and internal account discussions, manage prospect opportunities, connect with your organisation's social network, and drive team performance by setting metrics-based goals and providing coaching or feedback to team members.

Sophisticated prospect management systems help salespeople turn prospect data into actionable insight that everyone in the organisation can access from anywhere at any time.

Here is a list of benefits of using a sophisticated software system to record and manage prospect information (from Maximizer CRM, sales force automation at: www.business.qld. gov.au/business).

Opportunity close rate

Increase opportunity close rate

Monitor the effectiveness of your sales team by using a prospect management system to measure close rate, abandonment rate and loss rate for all prospect opportunities. You can learn where to focus your sales efforts and move towards a predictable sales pipeline.

Future revenue

Identify future revenue

Using a prospect management system allows you to easily categorise clients and prospects using a wide range of criteria, such as sales-to-date, region, time zone, products purchased and more, to uncover hidden revenue opportunities.

Forecast accuracy

Improve forecast accuracy

A prospect management system eliminates time-consuming pipeline reporting and improves forecast accuracy with sales reports that match your unique sales process. You can identify top-priority sales opportunities and have visibility at every step of the sales cycle.

Sales opportunities

Manage sales opportunities

A prospect management system allows you to take proactive measures to ensure you and your sales team hit revenue targets and achieve sales objectives. You can closely monitor deals, improve performance and forecast an accurate sales pipeline.

Lead qualification

Improve the effectiveness of lead qualification

Using a prospect management system allows for a more efficient lead management process. It allows you to convert your ideal lead qualification criteria within a buying process that matches your business.

Sales productivity

Use tools for sales productivity

A prospect management system easily monitors your sales teams' sales productivity by tracking activities and tasks that are proven to help close new business.

Performance metrics

Monitor performance metrics

Using a prospect management system allows you to gain actionable insight into your entire sales process from lead creation to opportunity close, and to identify trends that will affect future revenue performance.

Account management

Manage client accounts

Using a prospect management system allows you to effectively manage client relationships from prospect to close using in-depth client profiles to identify future revenue opportunities.

Salesforce productivity

Mobile salesforce productivity

A prospect management system allows you to easily manage sales appointments, access complete account details, update sales opportunities and monitor key metrics from an electronic device, such as a smartphone.

Maintain prospect information

Prospect information is only useful if it is up to date. It is important to regularly check the accuracy of prospect information and update it when necessary.

Accurate data allows you to predict the future behaviour of your prospects and assess the effectiveness of promotions or campaigns run by your organisation. A well-maintained prospecting database allows you to generate information that will help you close a sale.

A prospect may be deemed inactive if there has been no prospect activity for more than a year. You should archive inactive prospects, rather than deleting them. If you decide to create a drip program that encourages inactive prospects to engage with your business again, the prospect can then be reactivated with all historical data intact.

Generate a list of prospects who:

- have not been contacted in the past month
- live in a certain area
- are of a specific demographic; for example, income level
- have a need for a specific type of product
- prefer to be contacted via email
- have received information about an upcoming sales promotion.

Example: record prospects

Joneen works for a not-for-profit organisation that raises funds for medical research. Joneen has been tasked with developing a prospective donor management system that provides a framework of operation to ensure fundraising efforts are efficient and accountable.

Joneen decides to develop a simple standalone prospect management system that charts the progress of prospects through the continuous fundraising cycle of identification, cultivation, solicitation and stewardship. She hopes that her system can be later integrated into the organisation's existing contact database to allow for a sophisticated, multifunctional, multi-user database that records vital prospect and donor information all in one place.

Joneen uses Microsoft Excel to develop a simplified standalone prospect management system, as shown in this table.

Prospect management system
* information generated from a database report
** information to feed back into the central database as major developments occur

Prospect*	Type*	Last gift*	Potential gift*	Stage**	Interest area*	Strategy**	Next step**
Medical Research Students Association	Business association	–	$10,000	Identification	Medical research	Potential donor	Request meeting with association director
Joshua Johnson	Individual major gift	$25,000	$100,000	Cultivation	Biomedical engineering	Potential sponsor for medical research efforts	Fundraising dinner – sit next to medical research director
123 Foundation	Foundation	$50,000	$100,000	Cultivation	Family support services	Meeting with program officer to update	Submit proposal for November deadline
Healthy People Pty Ltd	Corporation	$100,000	$250,000	Solicitation	Public relations and health promotions	Potential sponsor for specific campaign	Arrange for presentation with executive management to request sponsorship

Practice task 4

1. Describe the existing prospect management system for your organisation or one you are familiar with.

2. Describe the types of prospect information recorded by the organisation.

3. Describe the prospect information management policy within your organisation or one you are familiar with.

4. Explain your legal obligations when collecting and storing prospect information.

2B Monitor and evaluate the effectiveness of the recording system and refine as necessary

Prospect management systems are only as good as the people who use them. Entering information into a prospect management system can be a time-consuming task for a busy salesperson. However, well-populated prospect management systems are essential to the smooth operation of a successful organisation.

Everyone who is involved in the sales process is responsible for the maintenance of the prospect management system and how it relates to the centrally held database. You should monitor and evaluate your prospect management system in light of specific organisational goals and objectives, and make necessary changes to ensure optimal sales results.

Monitor the system

You should regularly monitor the management of prospect information within your organisation to ensure the system is efficient and effective, and conforms to relevant legislation, standards and codes.

Monitoring should be adaptable to your organisation's needs and resources. If necessary, prioritise areas of concern, such as disposal or capturing of prospect information.

Generally, organisations undertake two types of monitoring activities: to understand how the organisation is performing, and to identify those areas that require further attention.

Monitor compliance

Compliance monitoring aims to establish whether your prospect information record-keeping procedures are carried out in conformance with relevant external requirements, whether these are set through legislation, regulations or directions. It involves examining how your organisation confirms compliance with a set of established criteria.

Organisations that record prospect information should regularly assess their conformity with the obligations regarding privacy and spam, as well as the associated standards and codes of best practice, to ensure the organisation is compliant and that issues of non-compliance are corrected.

Your organisation can monitor its compliance by:

- developing and using a records management assessment tool
- assessing compliance against the requirements of the *Privacy Act 1988* (Cth) and *Spam Act 2003* (Cth)
- benchmarking itself against previous records management self-assessment surveys or audit results to assess improvements or identify issues of non-compliance
- undertaking a compliance audit using internal auditors or an external party to provide an independent assessment of its prospect records management system.

Monitor performance

Performance monitoring involves in-depth analysis of your prospect management system to determine whether it is efficient and effective. This includes developing criteria, conducting interviews and examining documentation to determine how the process is conducted.

Performance measurement can assist your organisation to determine how capable its prospect management system is and whether the system's capabilities can be extended to new practices or processes.

Performance monitoring should be incorporated into the regular activities of your organisation's prospect management system.

Here is more about how to monitor performance.

Ways for organisations to monitor their performance
• Conduct assessments using the plans, goals and objectives of the prospect management system.
• Assess feedback from clients of the services provided by the prospect management system.
• Benchmark against relevant standards.
• Assess the level of understanding and use of records management policies and procedures by team members.
• Assess progress against the organisation's storage and disposal plan.
• Conduct an internal audit of record keeping or record management.
• Conduct detailed reviews of high-risk business areas to confirm that records are being created and captured in the prospect management system.

Evaluate the system

Evaluating your prospect management system allows you to identify whether the system needs to be refined, updated, upgraded or replaced.

Consider conducting surveys of team members to gauge their understanding of and opinions about the prospect management system. Direct feedback from team members can identify whether any training needs, new tools or revisions to existing tools are required.

Here is a process for evaluating a prospect management system.

How to evaluate a prospect management system

- Check that the information recording requirements of the system have been identified.
- Assess the system against record-keeping requirements and defined functionality; for example, is the system capturing records of all prospect interactions?
- Monitor system downtime (if electronic).
- Check that prospect records have unique identifiers in the system and that the metadata automatically applied by the system is correct; for example, date and time; record creator information.
- Check that prospect information is able to accessed and retrieved from the system.
- Confirm that migrations of records from one system to another; for example, from prospect management system to CRM system, are controlled and documented, and that metadata remains linked.
- Check that information managed, stored or disposed of is complete and accessible.
- Confirm that recovery and restoration processes for digital records function correctly.

Evaluate the system

Refine the system

Monitoring and evaluating the effectiveness of your prospect management system help you identify whether any changes should be made.

Do not hesitate to refine or modify your prospect management system if you find a more efficient way to achieve results. Regular evaluations keep you up to date and operating in a way that is beneficial to your organisation.

Often a fundamental problem relating to prospect record keeping is that team members do not use the systems and tools provided for them, despite best efforts to make the system fit organisational needs. Performance monitoring usually identifies whether this is an issue for your team.

Here are some ways to refine the prospect management system.

Refine your prospect management system

1

Review

Review the system and tools to ensure that they are user friendly.

2

Training

Provide training programs for management and staff on how to use the system efficiently and effectively.

3

Help desk

Provide a help desk service to assist users.

4

Integration

Integrate prospect record-keeping systems and tools into work processes so they are not seen as an onerous addition to work tasks.

5

Resources

Allocate appropriate resources needed to maintain and improve the system.

6

Technology

Regularly investigate whether new technology is available that may help improve the efficiency of your system.

7

Delegation

Delegate responsibility for monitoring the system, policies and procedures to a team member who will enjoy the challenge, accept responsibility and remain accountable.

8

Communication

Clearly communicate the responsibilities, expectations and obligations of team members relating to their use of the system.

9

Continuous improvement

Introduce a continuous improvement strategy relating to prospect management whereby improvements are identified, relevant ideas and suggestions to resolve any difficulties or issues are discussed and selected, and action is taken to implement these improvements.

10

Feedback

Seek valuable feedback from team members on how the system is working, whether it needs further refinement and if training is needed.

Example: monitor, evaluate and refine the recording system

Sanjay is the director of prospect management at a national insurance company. His role is to design and develop the tools necessary to maintain an informative prospect management system that relates directly to the company's sales goals and targets. He also recommends and maintains reports that can be used by management and individual team members to track the progress of prospect qualification.

Sanjay's company has a comprehensive policy relating to the use of the prospect management system: each time a prospect web form is collected via the company's website, owner assignment rules ensure that the prospect opportunities are automatically distributed equally and fairly between sales representatives.

However, a number of team members have recently provided feedback to Sanjay stating that the prospect manager assignment process is flawed. He monitors the performance of the system and notices that some sales representatives are receiving a large number of prospect opportunities through the web interface while others are not receiving any. He investigates the issue and discovers that in using the prospect management system, some team members have incorrectly set their individual preferences so that they cannot receive prospect web forms at all. Sanjay makes changes to the affected team member preferences immediately.

He also decides to approach senior management and request that a comprehensive training course is provided to all team members to ensure they are equipped to use the prospect management system more effectively and efficiently.

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Practice task 5

Prepare and conduct an interview with a sales/prospecting manager. Identify how the manager monitors and evaluates the effectiveness of their system for recording and managing prospect information. Also identify how the manager uses this evaluation to then refine their prospect management system.

Summary

1. Prospect management systems allow you to effectively manage the sales pipeline and create powerful connections with potential clients.

2. When collecting prospect information, aim to find out what your clients are buying, why they are buying and how often they are buying.

3. Determine a set of policies and procedures to govern how information is managed within a prospect management system, and how this information is regularly reviewed and merged with the centrally held database.

4. Prospect management systems may include forms, databases, prospect analytics or sophisticated management systems that can be used to manage prospect and sales data.

5. A well-maintained prospecting database allows you to generate information that helps you close a sale.

6. Monitoring should be adaptable to your organisation's needs and resources. If necessary, prioritise areas of concern, such as disposal or capturing of prospect information.

7. Do not hesitate to modify your prospect management system if you find a more efficient way to achieve results.

Learning checkpoint 2
Manage prospect information

This learning checkpoint allows you to review your skills and knowledge in managing prospect information.

Part A

1. Describe three information management strategies used to manage prospect and sales data.

2. Describe three benefits of using a sophisticated software system to record and manage prospect information.

3. Describe four activities for monitoring the effectiveness of a prospect management system.

4. Describe three ways to refine a prospect management system.

Part B

1. Prepare a spreadsheet that could be used to record prospect information in an organisation.

2. Explain why a spreadsheet is an effective recording system.

3. Provide three instructions for implementing a prospect management system.

4. List three actions you could take to refine a prospect management system.

Topic 3
Establish an individualised sales plan

The final sale may be the goal, but getting your client to buy a product or service is just one step in a long process. Successful selling involves developing relationships with people, discovering their needs, matching your products and services to those needs, and communicating the benefits of buying your products and services.

Having a sales plan before you start selling helps you set sales goals and quotas, and document ways to achieve those goals. While a prospecting plan looks at market conditions, your position in the market and how you will reach and persuade an audience, a sales plan focuses on clients. A sales plan includes clients' expectations and buying trends, concentrates on the sales process and sets individual targets for you to focus on.

Treat your sales plan as a living document that you revise regularly.

In this topic you will learn how to:

3A   Establish consultation and communication structures with clients and supervisors
3B   Establish individual sales goals and quotas based on sales and marketing objectives
3C   Plan and document an individualised sales plan to achieve sales quotas within time frames
3D   Monitor, evaluate and adjust the sales plan as necessary

3A | Establish consultation and communication structures with clients and supervisors

It is essential that you establish ongoing consultation and communication structures with your clients and supervisors when establishing an individualised sales plan.

Understanding your market is your first step in developing a good sales plan. To understand your market, you need to consult and communicate with existing clients to establish their motives for buying your product or service, as well as their buying behaviours. This helps you focus your sales efforts on potential clients with specific, ideal client characteristics.

Your supervisor will guide you on how to establish individual sales goals and quotas to focus on work activities, based on organisational sales and marketing objectives. Your supervisor will also collaborate with you to develop an individual work plan that monitors your sales performance.

Consult and communicate with clients

Before you start promoting your business, you need to know what your clients want and why. By researching, consulting and communicating with your existing clients, you can work out how to convince potential clients that they need your products or services, and effectively put your sales plan into action.

Here are some things to consider when consulting and communicating with clients.

Client identification	Identify clients
	By consulting and communicating with your existing clients, you can develop a more detailed picture of them and understand how to reach your target market.
	This will also highlight key characteristics your existing clients share, such as:
	• gender
	• age
	• occupation
	• disposable income
	• residential location
	• recreational activities.

Client motives	**Understand client motives**
	Once you have identified who your existing clients are, you can continue to consult and communicate with them to find out what motivated them to buy your products and services.
	For example, consider whether they made the decision based on:
	• work demands
	• family needs
	• budget pressures
	• social or emotional needs
	• brand preference.

Shopping methods	**Identify clients' preferred shopping methods**
	As well as understanding why your clients purchased your product or service, ask questions to understand how they shop.
	To learn about your clients' preferred method and means of shopping, consider if they:
	• shop online, over the phone or in stores
	• make spontaneous or carefully considered buying decisions.

Spending habits	**Consider client spending habits**
	Different types of clients are willing to spend different amounts. Find out what financial capacity and spending habits your existing clients have.
	For example, consider:
	• their average income
	• the portion of their income they spend on the types of products or services you sell
	• whether they budget.

Opinions	**Find out what your clients think of your business**
	Learn about your clients' views, opinions and expectations of your business and your competitors.
	For example, find out what they think of your:
	• products and services
	• customer service standards
	• competitors.

Client consultation and communication methods

Your existing clients are the reason that your organisation exists. Gathering as much information as you can about them through client research and communication structures helps refine and grow your business.

The type of business you have and the kind of information you need to gather influence the consultation and communication methods you choose. You can conduct client research yourself or hire a consultant to do it.

Here are some of the main client research and communication methods; many of these methods can be combined to achieve multiple client research goals.

Advertising and promotion research

Gather information about the effectiveness of your advertising by gauging:

- your clients' likely responses to your marketing and promotional strategies through testing in a forum such as a focus group
- the effectiveness of each of your past and planned promotional techniques through analysis of sales data.

Client satisfaction studies

Determine how satisfied your clients are with your product quality and your client service by surveying them using:

- informal methods such as conversations with staff, or product and service scorecards
- questionnaires that target past and present clients.

Consumer decision process research

Work out what motivates your clients to buy and what decision-making process they use, through:

- your own surveys and questionnaires
- survey results gathered through market research relevant to your industry.

Concept testing

Test how well your marketing ideas are accepted by:

- using surveys to work out whether your clients or potential clients see your products as having a rational, useful benefit
- conducting personal interviews or focus groups with your clients to understand how they respond to your marketing ideas.

Positioning research

Identify how your clients and potential clients view your products and performance compared to competitors' by researching:

- the sales figures for each of your market segments
- the attitudes of clients within each market segment.

Brand testing

Determine how your clients feel about your brand and product names by:

- using focus groups and surveys designed to assess emotional responses to your product and brand names
- engaging brand researchers to study your brand's performance in your market using existing available brand research.

Price testing

Find out how sensitive your clients are to price changes by using formulas that measure revenue, multiplying the number of items you have sold by the price of each item. These tests allow you to calculate whether your total revenue has increased or decreased after making price changes:

- calculate changes in the quantities of products demanded by your clients alongside changes in product pricing
- measure the impact of your product pricing on product demand.

Client service audit

Work out whether you provide adequate client service by:

- developing client surveys or feedback forms
- conducting client panels or phone surveys.

Social media monitoring

Another way to measure client feedback and your client service is by monitoring your social media engagement and feedback. Social media (particularly Facebook) are becoming a common element of marketing strategies and increasingly used by organisations to provide feedback, share client service experiences and make complaints.

They can also be used to run surveys and test concepts. If managed well, they can be one of your most powerful client research, consultation and communication tools.

Consult and communicate with supervisors

Your supervisor can play an important role in keeping you informed and identifying and addressing your concerns. Enlist the support of a respected supervisor when developing your sales plan to ensure you focus work activities on organisational sales and marketing objectives. Your supervisor will be able to explain sales history information, forecasts, targets, tactics and strategies that allow you effectively achieve your sales goals.

You may also consult with your supervisor to better understand your role and responsibilities, develop an individualised work plan or monitor your sales performance.

Communicate your sales plan with your supervisor by phone, email, in person, in a one-on-one or team meeting, during a performance review or other means relevant to your organisation.

Here are some reasons that it is important to consult and communicate with your supervisor when developing your individualised sales plan.

Understand organisational sales and marketing objectives

Organisational sales and marketing objectives define what your business wants to accomplish through its marketing activities. Your organisation may use the SMART approach in order to set specific, measurable, attainable, realistic and time-framed objectives relating to sales and marketing outcomes.

Your supervisor can help you to ensure your individualised sales plan is consistent with, and indicates, the priorities of the organisation. This means that your individual sales goals and quotas should flow from your organisation's mission statement, towards the financial objectives and to the rest of the sales and marketing plan.

Understand your role, responsibilities and specific work activities

Your supervisor should provide you with a clear definition and understanding of your role, function and responsibilities in the organisation. This provides you with good understanding of your job and the tasks you must perform as an individual and within the sales team. It also provides information on where you fit within the organisation and who you should report to, helping to avoid disputes and misunderstandings over authority.

Develop an individualised work plan

Your supervisor will collaborate with you to develop and use an individualised work plan. The success of your individualised sales plan will be largely affected by the strengths, goals, needs and actions outlined in your work plan.

The work plan should include the following information:

- strengths – the abilities that you bring to the organisation
- career goals – the positions and roles you wish to pursue and the time frames
- developmental needs – the key areas where you intend to focus development
- objectives and actions – the specific objectives of your development and the actions you intend to take to achieve each objective.

Monitor sales performance

Your supervisor will monitor your sales performance by conducting performance reviews. You should consult with your supervisor to agree on outcomes, set goals and follow up on team member feedback to show you are committed to meeting the needs of the organisation.

The outcomes of your performance review should uncover any developmental recommendations, and any offers of rewards or issues for further discussion and resolution. You and your supervisor should set time frames that help you make positive, tangible progress and allow you to measure that progress.

You could consider enlisting your supervisor as a mentor to build your sales skills by sharing their professional and personal insights and experiences.

Ongoing consultation and communication

With ongoing consultation and open channels of communication, your organisation can experience improved sales outcomes and decision-making. This process can also result in more openness and respect between you and your clients, and between you and your supervisor, fostering a productive and positive business culture.

You and your supervisor must establish an ongoing communication structure in order to have a profitable business. Tailor your client communication to achieve its purposes by demonstrating sophisticated understanding of their needs and developing authentic, ongoing client relationships.

Here are some tips for maintaining ongoing consultation and communication structures with your clients and supervisor.

Ongoing client consultation	Ongoing supervisor consultation
Make sure your client communications continually reinforce your organisational beliefs. By repeating the same information in a variety of formats, such as in writing, face to face and at seminars, you demonstrate consistency and credibility. An ongoing client communication strategy may include: • ongoing review meetings, where you can ask direct questions or address client issues • inviting your clients to seminars where they can provide feedback, ask questions, clarify information and express concerns • external seminars organised by reputable external organisations • participation in client business associations and networking activities • inviting clients to complete feedback forms, questionnaires, surveys or reviews.	Consultation and communication processes should be: • open – all parties must be able to express ideas to one another, such as in a conversation or debate • positive – all parties involved must feel as though they have been heard • effective – all parties must feel they have reached a desired outcome. Open communication that involves two-way conversations provides everyone in the workplace with the opportunity to equally participate in the success of the business. Create an atmosphere for open communication to allow for the flow of energy and creativity. Establish an environment where all team members have good understanding of the organisation's goals and what needs to be done to accomplish those goals.

Example: establish consultation and communication structures

Jonny is a sales representative at a telecommunications company, where he is responsible for selling mobile phone plans. He has been asked to develop an individualised sales plan that defines a set of sales goals and quotas, and outlines the steps he must take to meet these targets. Jonny doesn't know where to start and makes an appointment to meet with his supervisor, Vikki, in a one-to-one meeting to ask for her advice.

Vikki shows Jonny a record of the company's yearly sales performance, looking at the sales for mobile phone plans. This information allows him to forecast month-by-month predictions of the sales he can expect to achieve.

Vikki tells Jonny that the first thing he must do is consider the organisation's sales and marketing objectives, as this will guide him as to where to focus his work activities. She agrees to meet with Jonny once a month to discuss his sales progress and performance.

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Practice task 6

Client consultation and communication structures should identify what you need to know and the methods that will give you that information. Use the information in this table to describe the questions you need answered and the methods you will use to answer them, which will assist you to develop your individualised sales plan. The first one has been done for you.

Category	What you need to know	Consultation method(s)
Product	How do our clients feel about the names of our products?	Brand testing Focus group
Price		
Product		
Price		

... continued

Category	What you need to know	Consultation method(s)
Promotion		
Location		
Sales team		

3B Establish individual sales goals and quotas based on sales and marketing objectives

Sales goals and quotas based on organisational sales history and marketing objectives form part of your individualised sales plan, and are used to achieve the performance goals you set in your prospecting and/or marketing plan. They help to focus your work activities.

Set annual, quarterly and monthly sales goals and quotas by market segment, by region and for each member of your sales team.

Here is more information about sales forecasts, setting sales goals and quotas.

Sales history and forecasts	Make realistic forecasts: • How many new clients do you gain each year? • How many clients do you lose each year? • What is your average volume of sales to each client? • What particular months do you win or lose more clients than usual? • How many products do you sell per year or per month? • How many sales do you make to each market segment per year or per month? • How many sales per month do you expect to achieve by product, product line or services rendered? • How many sales per month do you expect to achieve by market segment?
Sales goals	Sales goals are the specific overall objectives that define what you intend to achieve and by when, in pursuit of your organisation's revenue goals. They may relate to long-term growth, such as expanding into new geographical regions, acquiring a certain number of clients, or implementing programs to retain and engage new clients. Salespeople can set individual goals such as the number of cold calls and prospects to be generated within a specific time frame.
Sales quotas	Sales quotas are the number of products you need to sell to make a desired profit by a certain date or time frame. Managers usually set sales quotas based on factors such as client purchases, hiring, advertising revenue or company expansion. Managers consider past sales performance, the cumulative skills and experience of salespeople, and the state of the marketplace. Salespeople may be assigned different quotas based on their seniority or their performance in previous fiscal quarters.

Understand organisational strategy

Strategic management is the process by which an organisation develops and implements plans that support its goals and objectives. The process of strategic management is a continuous one that changes as the organisational goals and objectives evolve.

Your sales goals and quotas must follow explicit and implicit organisational objectives and protocols to ensure that they adapt to trends and external changes affecting the organisation.

Here are some key concepts characterising the development process for organisational sales and marketing objectives.

Organisational strategy for establishing sales goals and quotas

Set objectives

Organisational goals, the mission statement, values and objectives guide the organisation in its pursuit of strategic opportunities. An organisation's sales and marketing objectives guide sales managers in meeting sales targets and higher revenue generation. Through goal setting, organisations plan how to compete in an increasingly competitive and global marketplace.

Analyse strengths and weaknesses

Analysis of an organisation's strengths and weaknesses is a key concept of strategic management. Through internal and external analysis, an organisation creates sales and marketing objectives that turn weaknesses into strengths. This allows the organisation to plan ways of adapting to changing technology and emerging markets.

Form a strategy

Strategy formation involves developing specific actions that enable an organisation to meet its sales and marketing objectives. Strategy formation uses the information from the internal and external analyses to prioritise and make decisions on how to address key issues facing the organisation. Strategy formation allows an organisation to find new ways of maximising profitability and maintaining a competitive advantage.

Implement the strategy

Strategy implementation involves putting the strategic plan into practice to meet organisational objectives. All the available and necessary resources required to activate the strategic plan are gathered. Organisations implement strategies through creating budgets, programs, policies, procedures and protocols to meet financial, management, human resources, sales, marketing and operational goals.

Monitor the strategy

Strategy monitoring involves evaluating the organisation's strategy plan to determine whether it is yielding the anticipated results as defined in the organisation's sales, marketing and other business objectives. Through monitoring, an organisation is able to understand when and how to adjust the plan to adapt to changes in the marketplace.

Set individual sales goals

You should start your sales plan by defining the specific goals you want to achieve, such as opening up a certain number of new shops or expanding into particular new locations and markets.

Sales goals are also referred to as performance goals because they provide you with a blueprint for your individualised sales plan. You should set goals for yourself that stretch your capacity and improve your overall performance.

Sales goals may relate to productivity and revenue generation, as well as personal and professional development.

To set sales goals, you must have a clear understanding of the tasks you currently undertake and the number of times you execute them to generate a sale.

Here are some examples of individual sales goals.

Examples of individual sales goals
Increase by 25% from last year the face-to-face time I spend with the final decision-makers for my top 15 accounts.
Aggressively target 10 prospects currently serviced by XYZ competitor.
Increase my average net profit per sale by 27% in the first quarter of the year.
Reactivate a minimum of three lapsed clients each month over the whole year.

SMART objectives

Consider your sales goals and define a clear set of objectives that identify what you need to achieve and how you should focus your work activities, based on organisational sales and marketing objectives.

When setting objectives, it is very important to ensure that your objectives are specific, measurable, attainable, realistic and time-framed, or SMART for short. The SMART approach allows you to effectively manage your work activities and measure your sales results.

Acquire sales skills

To achieve your sales goals, you need effective sales skills. Learnt skills such as effective communication and product knowledge give you confidence in your ability to sell, which makes your clients more likely to buy your products or services.

Everyone can learn the skills necessary for selling. You and your sales team should be competent in basic sales skills.

Here is information about two of the most important skills: client relationships and product presentation.

Client relationship skills

The most important sales skill is the ability to listen. These days, good salespeople say a lot less and listen a lot more. Listening is a skill that everyone can master.

Other skills that can be used to build client relationships are:

- questioning
- persuasiveness
- confidence
- motivation
- personal presentation.

Product presentation skills

Know your products' features: the physical, tangible, measurable characteristics of a product.

Benefits are the advantages that a product feature has for a specific client.

The skill of turning product features into benefits is essential for salespeople.

Planning and analytical skills

Planning and analytical skills also help you present your product to clients. Decide which product best meets the needs of a particular client and plan how you will use the product benefits to persuade that client to make a purchase.

Set individual sales quotas

Reliable sales quotas help you track your sales progress within each period and adjust your sales goals to meet your market and organisational needs.

Specific and realistic sales quotas help you perform confidently, consistently and with clear understanding of your expectations. Choosing the right type of targets and involving your sales team in choosing these targets can help you achieve your sales goals and grow your profits.

Good sales planners set quotas in areas that drive business growth. You must have sales strategies in place to meet your sales quotas, including how you will keep existing clients, attract new clients and sell more to existing clients.

In setting sales quotas, you need to:

- consider the profit margins each of your sales will achieve; there is little point in reaching your sales quota but shrinking your margin to achieve it
- be realistic; your quotas must be supported by prospecting or marketing plan information
- keep all your business costs in mind and plan for growth.

Set sales quotas by product

Setting specific quotas for each product is a simple and effective way to meet your monthly sales budget. Product sales quotas usually list the number of products you need to sell, as well as the targeted average sale price you need to get, to achieve a budgeted profit.

Sales quotas set by product also include other important business information, such as stock and storage requirements.

Set out your sales quotas by product or service, identifying the profit you need to make from each product sale and the volume of sales you anticipate.

Here is a table that shows you how to set sales quotas by product.

Product or service	Gross profit margin	Expected sales volume (per month)
This column itemises products by line or item, depending on the types of products and services you offer.	This column identifies what percentage of every dollar the business needs to keep from each sale. The gross profit margin is the percentage by which sales revenue exceeds the costs of producing and selling.	This column identifies the number of sales targeted per item.

Set sales quotas by market segment

Businesses that target their markets clearly and accurately are more likely to achieve good sales figures.

The 80:20 rules is an important rule for sales planning. Also known as the Pareto principle, it means you generally make 80 per cent of your profits from 20 per cent of your clients. Studying your market and identifying the profitable 20 per cent will help you target and achieve successful sales.

Market segmentation is a good place to start in setting effective sales quotas. Group clients are clients with similar needs and characteristics, and clients who respond in similar ways to your products or services. For example, a hardware store could group its clients into two segments: home renovators and building industry professionals.

Use your prospecting plan as a guide to help you achieve your sales quotas by pitching your products and services to specific characteristics of your market segments.

Client researchers can choose to group market segments by:

- geography: region of the world, country, state or territory, suburb or town
- demographics: age, gender, sexual orientation, family size, income, occupation, education, socio-economic status, religion, nationality
- psychographics: personality, lifestyle, values, attitudes.

Set sales quotas by region

Businesses with area or travelling sales representatives most commonly set sales quotas by region, removing the difficulty and frustration of setting and monitoring individual quotas for large numbers of products.

These businesses find it easier to set a dollar figure quota per region, covering the whole product range and all the clients in that region.

Regional quotas are big-picture targets. Because they cover large client numbers and do not specify product sales, you need to keep them simple – one figure per area.

Gross profit margin

Gross profit is the difference between sales revenue and the cost of producing or purchasing products or providing services before subtracting operating expenses such as wages, rent, accounting fees or electricity.

Gross profit margin is the percentage of each dollar that is profit. Knowing your gross profit margin helps you identify the products making the most profit, so that you can focus your sales quotas on them. While any profit is good profit, smart businesses concentrate on achieving higher sales quotas for their more profitable items, rather than making broad product sales with a thin margin.

To calculate your business's gross profit margin, you first need to calculate gross profit. Gross profit margin is gross profit expressed as a percentage of sales.

Here is a table that provides the formula and examples for calculating gross profit and gross profit margin.

Gross profit	
Use this formula to calculate your gross profit.	
Gross profit = sales revenue − costs of goods sold	
Example:	
Sales revenue	$120,000
Cost of goods sold	$60,000
Gross profit	**$60,000**
Gross profit margin	
Use this formula to calculate your gross profit margin.	
Gross profit margin = (gross profit ÷ sales revenue) x 100	
Example:	
Gross profit	$60,000
Sales revenue	$120,000
Gross profit margin	**50%**

Break-even point

Your break-even point is the number of units of your products or services that you need to sell to cover fixed costs such as rent, electricity, insurance and wages.

You can determine your break-even point by itemising all of your known, fixed annual costs and then working out the volume of sales (in units) required to cover those costs.

Here is a table that provides the formula and examples for calculating your contribution margin and break-even point.

Step 1	
Use this formula to calculate your contribution margin.	
Contribution margin = sales price – variable costs	
Example:	
Sales price	$40
Variable costs	$15
Contribution margin	**$25**
Step 2	
Use this formula to calculate your break-even point.	
Break-even point = fixed costs ÷ contribution margin	
Example:	
Fixed costs	$38,500
Contribution margin	$25
Break-even point	**1540 units**

Break-even point

Minimum sales requirement

Minimum sales requirement is the point at which both your fixed costs and your profit goal are covered by your gross profit. You work this out by calculating how much of your products or services you need to sell to cover fixed costs, your salary and your desired profit.

Keep in mind that the organisation's aim is to achieve a fair return on the funds it has invested in the business, in addition to your salary. Once you have calculated your break-even point, decide what you consider to be a reasonable return on investment (ROI) and a fair salary for the owner or manager of the business.

Here is a table that provides the formula and examples for calculating your minimum sales requirement.

Minimum sales requirement	
Use this formula to calculate your minimum sales requirement.	
Minimum sales requirement = (fixed costs + profit goal) ÷ gross profit margin	
Example:	
Fixed costs	$60,000
Profit goal	$60,000
Gross profit margin	50%
Minimum sales requirement	**$240,000**

Costs that can affect your profit

Consider all the related costs involved in achieving your minimum sales requirements. Marketing, production and supply costs can all affect the amount of sales you need in order to make a profit.

Your marketing must be sufficient to generate your desired sales volume, and your production processes must be capable of delivering those sales.

Set sales quotas for team members

Setting sales quotas helps you measure how effective each member of your sales team is. They reveal opportunities to develop and reward your team and keep it improving.

Setting unrealistic quotas can have a negative impact on your organisation in several ways, including demotivating your sales team members.

Here is an overview of what is important when setting quotas for your team.

Involve your sales team

Involve your sales team in reviewing sales and setting sales goals. The more involvement your team has in setting sales quotas, the keener they will be to reach them.

Bring your team together to consider these questions:

- Who currently buys this product?
- How many do they buy per year?
- Which clients are most likely to keep buying from you?
- Which clients are most likely to increase their orders and how can you persuade them to buy more?
- Which clients do you think will decrease their orders and why?
- Are there any clients you might lose and why?
- How many new clients do you need in order to maintain existing sales and reach your sales quota?
- What are your sales patterns throughout the year? Are they seasonal or related to a business cycle?

Motivate your sales team

Support your team by providing times to discuss progress and resolve any difficulties they are having.

To encourage your team to meet its quotas, offer incentives such as movie passes, theatre tickets or end-of-month bonuses.

Develop your sales team

Use your sales quota reviews to identify staff training or developmental needs. Training your sales team is an investment in the organisation. Your team members are your most valuable asset, and making sure they are trained in the skills and knowledge they need is essential for meeting your organisational goals.

Training helps you get the most out of your team members and also increases their job satisfaction, which can help you retain staff and avoid the expense of recruitment.

Set sales quotas for team members

Give team members specific quotas

When you are setting sales quotas, it is important to support your sales plan and sales team with specific quotas.

Break down quotas by client and by activity. Indicate the number of phone calls and face-to-face meetings that your sales team should make each day or week to meet their quotas.

Here is an example of quotas by client and activity.

Quotas by client	Quotas by activity
• New clients – identify quotas for new clients who have never bought from your organisation before. • Existing clients – identify quotas for product or service enhancements that team members will sell (upsell) to existing clients. • Past clients – identify targets that team members will set to encourage past clients to return.	• New contacts – show how effective your sales team is in making new contacts with people who could become clients. • Prospects generated – show how effective your sales team is in generating interest from new potential clients. • New prospects converted – show how effective your sales team is in converting prospects into clients. • Client contacts – show how effective your sales team is in maintaining and building interactions with existing clients.

Work activities

Work activities must be based around individual sales goals and quotas so that the tasks you complete are focused and targeted for the best results.

Create a list of all your sales work activities. Estimate the length of time required to complete each task. Rank each task in order of priority or importance, to set an order for completion.

Organising your priorities and time helps you work efficiently and alleviates stress and anxiety. A sense of accomplishment and achievement is attained when you complete work tasks and achieve your sales goals and quotas successfully.

Here are some examples of sales work activities.

Examples of sales work activities
• Conducting activities that lead to gaining contacts, such as networking, speaking engagements, sponsored seminars and meetings with potential clients • Entering contact information into prospect information management systems or CRMs • Calling prospects on the phone to make an appointment • Holding conversations and meetings to qualify prospects • Gathering additional prospect or client information • Holding sales presentations that lead to buying decisions • Attending sales training, mentoring or coaching sessions to improve your sales skills and knowledge

Example: calculate gross profit margin to develop sales goals and quotas

Below is an example profit margin for a bakery that sells sweet rolls, savoury rolls and a variety of bread loaves.

For each of its products, the cost of goods sold (cost to make), sales revenue (sale price), gross profit (sales revenue minus cost of goods sold) and gross profit margin are listed.

Product	Cost to make	Sale price	Gross profit	Gross profit margin
Sweet rolls	$0.50	$2.00	$1.50	75%
Bread loaves	$1.00	$3.00	$2.00	66%
Savoury rolls	$1.50	$2.00	$0.50	25%

As a sales manager or representative, this is a useful exercise when you are establishing your individual sales goals and quotas, as it uncovers your most profitable and unprofitable products lines. You may even decide to stop offering some unprofitable lines and concentrate on your most profitable products or services.

If the bakery sells 180 loaves of bread, 106 sweet rolls and 100 savoury rolls per day, the gross profits will be:

Product	Daily target	Gross profit	Gross profit margin	Daily gross profit
Sweet rolls	106	$1.50	75%	$159
Bread loaves	180	$2.00	66%	$360
Savoury rolls	100	$0.50	25%	$50
Totals	**386**			**$569**

Practice task 7

Use this table to set out your sales goals for productivity, revenue generation, personal development and professional development. An example for each category has been done for you.

Category	Sales goal/desired outcome
Productivity	Example: generate three new prospects this week
Revenue generation	Example: generate total dollar value for sales this week of $500
Personal development	Example: develop time management skills to increase productivity
Professional development	Example: attend two networking events this month

3C | Plan and document an individualised sales plan to achieve sales quotas within time frames

An individualised sales plan is a strategy that sets out sales goals, quotas and tactics for your business and identifies the steps you will take to meet your targets.

A sales plan sits within, or alongside, your prospecting and marketing plans to direct the efforts of your sales team. Most organisations develop or update sales plan periodically; for example, every 6 or 12 months.

Establishing an individualised sales plan helps you to:

- identify the market
- define a set of sales goals and quotas to achieve within clear time frames
- choose sales strategies that suit your target market
- identify sales tactics for your sales team
- activate, motivate and focus your sales team
- budget and clarify the steps you will take to achieve your targets
- review your goals periodically and improve your approach to sales.

Market analysis

You need to understand your market to ensure your sales plan focuses on current opportunities. Growing your business without understanding your competitors is risky. Market research prepares you for changing markets and prevents your business being left behind by the competition. Collect and analyse information about the market, your clients and competitors to avoid wasting time and money on failed sales opportunities.

A SWOT (strengths, weaknesses, opportunities, threats) analysis is a useful way to assess where you stand in your market in relation to your competitors.

Based on your market research, explain:

- why there is a demand for what you are selling
- your current market position, including any strengths, weaknesses, opportunities or threats
- your competitors' strengths, weaknesses, opportunities and threats
- emerging or forecasted trends in your chosen market.

Sales strategies and planning

Your individualised sales plan identifies how you plan to approach and sell to your clients. After identifying your individual sales goals and quotas, you can work out strategies, tactics and actions to achieve them.

Here are some examples.

Sales strategies

Your individualised sales strategies set out:
- your approach to attracting new clients
- your plan to increase existing client sales
- your plan for achieving new targets and increasing your profit margin.
- You also need to identify overarching strategies for increasing sales in your organisation. For example, you could:
- break into a new market segment by adapting an existing product for the market
- boost the average sale per client by 10% using add-on sales.
- When developing your sales strategies, consider:
- your market segment
- your clients' motivations and expectations
- your capacity to meet your clients' expectations.

Sales tactics

Once you have developed your individualised sales strategies, think about tactics to implement your strategies.

For example, you could:
- find clients in a new market segment
- undergo sales training in offering add-on sales.

Sales action plan

The actions section of your sales plan identifies and lists:
- the steps you will take to implement your sales tactics
- when each action will start and finish
- how much each action will cost.
- Check that your action plan supports all your sales strategies and tactics.

Budget allocation

Allocate a budget (if your organisation does not allocate one for you) for actions within your sales plan. Record the cost of your actions. Be sure that you have the funds to implement your sales plan. If you don't, refine your tactics.

Conduct a cost–benefit analysis. Make sure the quantifiable benefits you expect to receive from your actions are greater than the costs they will incur.

Identify risk factors

External factors will be either potential impediments to, or necessary components of, the ultimate success of your individualised sales plan. Not all risk factors can be solved, fixed or dealt with, but they are elements that you need to be aware of when developing your individualised sales plan.

Identify the key risk factors that could get in your way and impede your success; for example:

- changes within your organisation, such as redefined sales areas
- new competitors entering the market
- economic decisions
- political regulatory issues.

Document a sales plan

An individualised sales plan defines and documents the analysis and objectives that inform your individual sales activities. The plan may be more complex for a sales manager or team leader than for a salesperson in a team; for example, a team member may not need to include market analysis or a marketing plan.

Analyse your current situation and match your analysis with your sales goals and quotas. This process helps ensure that the major sales activities are included in your sales plan and all activities meet and comply with organisational objectives.

Here is an overview of what you could include in your individualised sales plan document.

Market analysis (optional)

- Make notes on market and competitor research, including:
- market size and growth
- market share, broken down by product or service
- change in the market now and in the future
- factors influencing growth or decline in industry, including cyclical, seasonal, political, economic, social and technological factors affecting the industry
- competition and estimated market shares
- competitive advantages of current players
- SWOT analysis
- statement of overall competitive position.

Individual sales goals

- Productivity goals; for example, the number of new prospects generated
- Professional development goals, such as improving sales skills
- Market share goals – expressed as the overall market share required and as a percentage (%) change
- Revenue goals – the following revenue goals should be broken down by month/ quarter and expressed as a percentage (%) change:
    - Revenue by product type
    - Revenue by client type
    - Revenue by territory
    - Existing clients
    - New business

Individual sales quotas

- Unit sales by:
    - product type
    - services rendered
    - market segment
    - region
- Sales quotas for new, existing and lapsed clients

Sales strategies and tactics

Strategies: identify how you plan to approach and sell to new, existing and lapsed clients.

Tactics: identify the specific tasks to be undertaken to implement your strategies.

Sales action plan

List the steps you must take to implement your sales strategies and tactics.

- For example:
- Milestones – key dates in sales calendar, aligned with trends in sales
- Trade shows – which shows attended, participated in, when and objectives for each event
- Key sales events – sales and marketing meetings, networking events
- Key sales activities – when will literature be produced, other marketing activities, sales promotion activities

Resources

List the resources required to help you meet your sales goal and quotas, including:

- budget – the finance allocated towards sales activities
- competences – selling skills of sales staff and areas in need of development
- other resource requirements – training, literature, mentoring or coaching
- briefing and communicating – how the sales plan is to be communicated
- monitoring – when and how sales activities and the sales plan are to be monitored
- feedback – other mechanisms to be used to assess sales progress.

Example: establish a sales plan

Marcus is a key account manager at Rolling Toys. The company manufactures and sells traditional and electronic toys and games, including dolls, hobby equipment and board games. Marcus is responsible for managing assigned accounts to drive sales and shipments of electronic toys manufactured by the company, specifically the 'Tracks and Wheels' merchandise. His major responsibilities include achieving the sales plan by planning and implementing sales to customers and fostering account relationships; monitoring marketplace activity and developing appropriate response strategies; analysing item trends to drive volume; and communicating with buyers in an effective and convincing manner.

Marcus is due to meet with his supervisor, Jacek, to present and discuss his individualised sales plan. Marcus prepares his plan in the following table.

Name: Marcus	Role: Key Account Manager, Rolling Toys
Market research	
Research plan: • Subscribe to Toy and Hobby Retailer magazine • Attend networking events and seminars hosted by the Australian Toy Association (ATA) • Purchase and read the latest 'Digital Australia' report commissioned by the Interactive Games & Entertainment Association • Obtain feedback from current clients using an electronic survey to identify client needs, preferences, budgets and concerns • Research competitors and their products • Identify any Rolling Toys products that are due to celebrate a milestone/anniversary and could be re-released under a special promotion or campaign	
Research results: Toy and game retailers have endured difficult trading conditions over the past five years. While solid demand for electronic and interactive toys has provided revenue opportunities for operators, trading conditions have been tough due to intense internal and external competition. As a result, revenue is expected to contract by an annualised 2.4% in the next five years. Revenue prospects have been affected by annual fluctuations in real household discretionary income, interest rates, consumer sentiment and the relative share of the total Australian population aged 14 years and younger. The geographical spread of businesses across the industry is largely influenced by the population distribution across each state, in particular the share of consumers aged 14 years or younger. Growth in residential developments in the area may increase the number of families with children moving into Rolling Toys' particular sales region.	

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Individual sales goals		
Establish a sales goal for each of the following categories that I plan to achieve within a six-month time frame (beginning January).		
Productivity goal (e.g. number of new prospects generated)	Obtain key accounts with four new retail toy stores in the region Re-activate key accounts with two retail toy stores in the region	Deadline: 30 June
Revenue generation goal (e.g. total % of annual sales revenue by client type)	Increase individual annual sales revenue by 2%	Deadline: 30 June
Market share goal (e.g. overall market share required and recorded as % change)	Increase regional market share by 15%	Deadline: 30 June
Professional development goal (e.g. attending networking events)	Host a booth at a toy trade show/exhibition	Deadline: 30 May
Individual sales quotas		
Establish sales quotas based on unit sales per client type and according to my individual revenue sales goals.		
Unit sales by product type	300 red racing cars 300 green racing cars 300 yellow racing cars 500 electric train sets 600 remote-controlled steam engines 300 monster trucks 300 farm tractors	Deadline: 30 June
Unit sales by market segment	2,600 unit sales to boys and girls aged 2–7	Deadline: 30 June

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Unit sales by region	2,600 unit sales to individual sales region	Deadline: 30 June
Sales quota for new clients	400 units	Deadline: 30 June
Sales quota for existing clients	2,000 units	Deadline: 30 June
Sales quota for lapsed clients	200 units	Deadline: 30 June

Sales strategies and tactics

Strategies: identify how I plan to approach and sell to new, existing and lapsed clients.

Tactics: identify the specific tasks to be undertaken to implement my strategies.

Strategy for new clients:	Special introductory wholesale price offer if certain amount of products are ordered	Deadline: 20 January
Strategy for existing clients:	Continue to offer excellent client service and competitive product prices	Deadline: 30 June
Strategy for lapsed clients:	Free shipping/order delivery costs for six months as long as monthly orders are made	Deadline: 31 March

Sales action plan

Identify key sales dates, milestones, sales events, networking activities, trade shows, marketing activities, sales promotions and any other steps I must take to implement my sales strategies and tactics.

Step 1	Develop, approve and implement new client introductory wholesale price offer and distribute offer to target retail stores within region by end of January
Step 2	Develop, approve and offer free shipping/order delivery costs to two lapsed clients within region by end of March
Step 3	Connect with key contacts from existing clients via LinkedIn and email regular updates
Step 4	Develop, approve and implement Easter Sale campaign throughout region
Step 5	Attend and host booth at Toy and Game Expo in May
Step 6	Begin planning and preparation for upcoming 40-year anniversary of Tracks and Wheels merchandise (September)

... continued

Resources
List the budget for sales activities, staff skills required, time allocations, training and communication strategies.
• $600 allocated towards shipping/order delivery costs for two lapsed clients
• $1,000 for development of professionally designed Easter campaign specific to region
• $800 for expenses incurred travelling to Toy and Game Expo
• $1,500 for cost of putting together booth, materials and demonstrations for Toy and Game Expo
Monitor and evaluate
After 30 June, meet with supervisor to monitor progress of this individualised sales plan and identify adjustments to be made for next six-month period:
• check whether market assumptions made remained relevant over six-month period
• assess sales performance ratios
• evaluate sales performance against original individualised sales plan
• consider whether original objectives still meet the possible sales opportunities in the region
• consider costs and necessary resources for adjustments to be made to sales plan
• consider modifying the plan, specifically sales quotas for six-monthly period
• benchmark sales performance against competitors in same region if information is available through company reports or industry research.

Practice task 8

Prepare and conduct an interview with a salesperson. Identify how the salesperson plans and documents their individualised sales plan in order to achieve their sales goals and quotas within specified time frames. Summarise your findings.

3D | Monitor, evaluate and adjust the sales plan as necessary

Once you have developed and documented your individualised sales plan, it is important to communicate it effectively to your supervisor and sales team so they can help you implement it and achieve your sales goals.

Your sales plan also needs to identify the steps you will take to monitor progress and assess its effectiveness. Remember that your sales plan is a living document and needs to be regularly monitored and updated as necessary, to help you reach your sales goals and quotas.

Your supervisor and sales team need to know:

- your individual sales goals and quotas
- your sales strategies and tactics
- how you will measure your results
- how to work together to resolve any difficulties
- how your supervisor will reward you for achieving results.

Monitor your individualised sales plan

Use your sales plan to monitor your sales performance and make ongoing improvements.

Monitoring the progress of identified goals and objectives enables you to determine the progress of each goal, identify areas of strength and weakness, and make necessary adjustments, as well as evaluating the success of the results and achievements.

Monitoring the performance of your sales plan enables you to compare your achievements with your original sales strategies, tactics, goals and quotas.

Use a range of processes to monitor the implementation of your sales solutions, reflect on outcomes and take appropriate action when required.

Here are some actions to take in monitoring your individualised sales plan and performance.

Check assumptions	Consider whether the assumptions you made when preparing your plan remain relevant over time. If you find your assumptions have changed, it may be time to make changes to your sales plan.
	Check:
	• the number of clients you expected to retain
	• the capabilities of your competitors
	• the amount of competition you have
	• resources required to implement the sales plan
	• costs of materials and labour.

KPIs	Key performance indicators (KPIs) are metrics used to help measure the progress of achieving sales goals, and include market share percentage, unit sales and return on investment. Factors that contribute to your overall success make a good starting point for regular trend analysis.
	When choosing which KPIs to track and review for trends, look for factors that drive sales figures, costs and cash flow.
	For example, when reviewing sales, monitor the figures that show what is happening in your organisation, such as:
	• categories of products selling well
	• how priority products with the best margins and the best payment terms are selling
	• the performance of each salesperson
	• whether conversion rates (ratio of prospects to sales) are changing.

Ratios	A ratio is a means of relating one number to another. In financial analysis, ratios may be expressed as the ratio, rate or percentage,
	To provide useful meaning, your sales performance ratios need to be compared with:
	• the trend of your results over the past year or other time frame
	• the results of other competitors
	• industry benchmarks or general business standards
	• budgeted results
	• the effects of economic conditions.
	The most common types of ratios used in monitoring sales include:
	• profitability – use gross profit margin and net profit margin ratios as two key indicators of sales performance
	• stock turnover and sales – use these ratios to identify overstocking or deficiencies in your production or marketing strategies.

Benchmarking	Benchmarking is a way of measuring your performance against similar-sized businesses in your industry. It gives you essential information about how you can improve your business.
	There are many ways to benchmark your sales performance. You could:
	• use sales benchmarking data to compare your sales performance against your industry averages
	• examine the sales data of similar businesses by researching annual reports (where available) or other industry reports that can be purchased online
	• contact your business or industry association for information about industry standards to measure your performance against
	• research and compare your organisation's products, services and practices with those of your competitors.
	Benchmarking helps you see where you can reduce costs and improve efficiency; assess the productivity of your sales strategies; identify opportunities for improvement; new ideas and innovative practices; forecast the impact of any changes; and prepare for growth.

Adjust the sales plan

After monitoring and reviewing your sales strategies and outcomes, you may be required to evaluate your sales plan and make adjustments as necessary.

This may be due to market changes that require sales goals and quotas to be revised; the sales plan failing to meet its objectives; resource restrictions; or changes to job roles and responsibilities affecting sales work activities.

Here is a suggested process for adjusting your sales plan.

A suggested process for adjusting your sales plan

1 **Evaluate sales performance against the original sales plan**

First, conduct an evaluation of performance against the original sales plan. If there is poor performance, you will be required to take corrective action to improve the situation. This may involve significant changes at a strategic level or smaller tactical changes such as a campaign to follow up lapsed clients.

2 **Consider whether your original objectives still meet the possible sales opportunities**

Strategic control of your sales strategy involves looking at whether or not your original objectives still meet the possible sales opportunities. Sales strategies can become outdated, as the marketplace changes frequently. Regularly reassess and modify your individual sales plans accordingly.

3

Consider the costs of the adjustments

Consider the costs when adjusting a sales plan. Assess all of the relevant and hidden costs of changing your plan. A decision will then have to be made by comparing the possible benefits of making the changes with the costs involved. For example, how much would a promotion to new clients cost?

4

Consider starting again or modifying the plan

If the sales plan is significantly underperforming or it appears that the sales plan has failed, it may be necessary to return to the market research and planning stage. Either abandon the plan and start fresh with a new sales strategy, or modify the plan and its objectives to improve performance.

5

Reassess and evaluate the changes

After implementing an adjusted or new sales plan, it is important to reassess and evaluate the changes after a short period of time. This allows you to gauge whether the changes are better, the same or worse when compared to the previous sales plan.

Example: adjust the sales plan

Owen is the owner of O'Malley AV Solutions, a retailer of quality computer-based audiovisual equipment. Owen has extensive management experience, particularly in sales and marketing. The major clients of the business are schools and universities that are installing projection equipment and using interactive whiteboard technology. The uniqueness of the business stems from its ability to source high-grade products that are highly functional, long lasting and aesthetically pleasing.

Owen believes that his current sales plan has some problems. Sales history shows that the number of products being sold has dropped due to major issues with client awareness, a lack of local marketing and also the difficulties of the current economic climate.

Owen decides that he needs to take corrective action to improve his position in the marketplace. He makes adjustments to his sales plan by reassessing his sales goals. He decides to focus more of his work activities on networking in order to build strong, ongoing business relationships.

As a result, Owen's business sales increase due to more referrals from one educational institution to another. He now understands the importance of modifying his sales plan to ensure original sales objectives meet current sales opportunities.

Practice task 9

Obtain a copy of your individualised sales plan, or the sales plan of a colleague or a friend, and answer the questions that follow.

1. Describe how a supervisor or manager has assisted you (or a colleague or friend) to develop and implement an individualised sales plan.

2. Describe how you (or a colleague or friend) can monitor an individualised sales plan and performance.

3. Describe how you (or a colleague or friend) can evaluate an individualised sales plan and make adjustments as necessary. Provide examples.

Summary

1. Having a sales plan before you start selling helps you set sales goals and quotas, and document ways to achieve those goals.

2. To understand your market, you need to consult and communicate with existing clients to establish their motives for buying your product or service, as well as their buying behaviours.

3. Sales teams need well-defined sales goals and quotas. You can set sales goals and quotas by market segment, by region and for each member of your sales team.

4. Your sales goals and quotas must follow explicit and implicit organisational objectives and protocols to ensure that they adapt to trends and external changes affecting the organisation.

5. An individualised sales plan is a strategy that sets out sales goals, quotas and tactics for your business, and identifies the steps you will take to meet your targets.

6. An individualised sales plan defines and documents the analysis and objectives that inform your individual sales activities.

7. Your sales plan is a living document and needs to be regularly monitored and updated as necessary, to help you reach your sales goals and quotas.

Learning checkpoint 3
Establish an individualised sales plan

This learning checkpoint allows you to review your skills and knowledge in establishing an individualised sales plan.

Part A

1. Describe three client communication strategies that can be used to demonstrate a sophisticated understanding of client needs.

2. Describe how supervisors collaborate with salespeople to achieve organisational objectives.

3. Describe how organisational sales and marketing objectives influence the establishment of individual sales goals and quotas.

4. Explain what is meant by the SMART approach to setting individual sales goals.

5. Describe the 80:20 rule for sales planning.

6. Explain the difference between sales strategies and sales tactics.

7. Explain the formulas for calculating gross profit and gross profit margin. Provide an example for each.

8. Describe one way to monitor an individualised sales plan.

9. Explain one reason that an individualised sales plan may need to be adjusted.

Part B

Read the case study, then answer the questions that follow.

Case study

Loretta is a sales representative at Feel Happy Health Insurance. Her role is to help individuals and businesses understand their insurance needs, explain their options to them and assist them in purchasing appropriate health insurance policies. Loretta's target market includes young families in the 25–40 year age bracket who require hospital cover for obstetrics-related services. Loretta wants to increase her monthly sales average of 6 policies per month to 12 policies per month. She speaks to her supervisor about attending sales skills training to develop her phone sales skills.

1. Establish two individual sales goals for Loretta.

2. Establish two individual sales quotas for Loretta.

3. Set out an action plan for Loretta that will help her to achieve her sales goals and quotas and form part of her individualised sales plan.

Topic 4
Complete sales paperwork and reports

After you have qualified a prospect to ensure they are serious about purchasing your product or service and are in a position to do so, you should prepare the documents they will need to complete the sale. Establishing a system to collect, record and organise sales data is essential to managing a productive and efficient business. When it comes to producing sales reports, your sales records are a wealth of information that can help you analyse, evaluate and present sales strategies and results effectively.

In this topic you will learn how to:

4A   Establish a system to collect, record and organise sales data using available technology

4B   Complete routine reports at regular intervals using available technology

4A | Establish a system to collect, record and organise sales data using available technology

Analysing sales results typically involves examining sales data, such as sales closed per month, in order to understand and improve overall performance. Organisations use and compare current sales data with previous sales data to make good business decisions. Analysing sales data helps your organisation and your salespeople to align performance with strategic objectives and market trends.

Organisations need comprehensive methods for collecting, recording and storing sales data so information is easy to access, easily understood and in an appropriate format for analysing and evaluating. Systems for managing sales data make the production of sales reports easy and time-efficient.

Identify and confirm the system your organisation has in place to collect, record, and organise data associated with the sales process.

Sales data

Collect meaningful sales data in order to evaluate your organisation's performance and productivity levels, analyse sales activity for a specific salesperson or product line, forecast future sales, identify profit margins and analyse market trends.

Sales data includes which products or services have been sold, the cost of a single unit, the number of units sold, which salesperson made the sale and which region the sale was made in.

The sales data you collect should be recorded and organised into a sales report to identify the performance of your organisation and of individual sales team members.

Sales data also includes but is not limited to:

- when an order was place or a service was booked
- how sales were made (e.g. online, over the phone, in store)
- the sales revenue
- the total cost of an order
- the number of orders made
- total amount of sales made within a specified time frame
- the number of prospects converted to clients.

Sales data collection methods

The choice of data collection method will be influenced by your organisation's data collection strategy, the types of variables related to the organisation's business activities, the accuracy required, the collection points and the skills of the sales team.

Sales data collection methods may involve checking sales order forms, sales receipts, sales contracts and logbooks.

Data collection sources may also include:

- online sales reports
- packing slips
- vouchers or special offers redeemed
- inventory and stock control system
- sales team activity tracking system
- prospect information management system
- website analytics.

Electronic record keeping

While some organisations still prefer manual record-keeping systems, most businesses use an electronic record-keeping system to record data associated with the sales process.

Electronic systems make it easier to capture information, generate sales reports and meet tax and legal reporting requirements. They are an efficient way to keep sales records and require less storage space.

Ensure you save all online sales transactions by month and financial year in your inbox and in a separate folder on your hard drive. Back up all electronic records on an external hard drive or storage device other than your computer's internal hard drive.

Organisations may use software programs, such as CRM, Microsoft Excel or Microsoft Access, to simplify electronic record keeping and produce meaningful sales reports. There are many other advantages to using electronic record-keeping systems.

Here is more about advantages of electronic record keeping.

Advantages of recording your sales data electronically
• It helps you record sales transactions and activities, as well as stock and asset details.
• It provides the option of recording a sale when you raise an invoice, not when you receive a cash payment from a client.
• It makes it easy to generate orders, invoices, debtor reports, financial statements and inventory reports.
• It automatically tallies amounts and provides reporting functions.
• It keeps you current with the latest tax rates, tax laws and rulings.
• Many sales record-keeping programs have facilities to send emails to clients or suppliers.
• It allows you to back up records and keep them in a safe place in case of fire or theft via an electronic backup system or cloud computing applications.

Manual record keeping

Some businesses still opt to use a simple, paper-based sales record-keeping system, even though they may be receiving online sales transactions.

To streamline your manual record-keeping system, sort and store all sales paperwork, receipts and payments by month, keep all original documents, save all correspondence and record all transaction dates and payment amounts.

You should request that all sales data be recorded on a monthly basis, allowing you to reconcile all the financial information each month.

Recording your sales data manually means:

- It is less expensive to set up
- correcting entries may be easier with manual systems, as opposed to computerised ones that can leave complicated audit trails
- the risk of corrupted data is much lower
- data loss is less of a risk, particularly if paperwork is stored in a fireproof environment
- problems with duplicate copies of the same sales records are generally avoided
- the process is simplified, as you don't need to be familiar with how sales record-keeping systems calculate and treat your sales data.

Computer cloud

Some organisations use a cloud computing record-keeping system, which provides a way for businesses to manage sales records online.

Cloud computing describes the use of a third party for your storage and computing needs. The 'cloud' refers to the internet and operating 'in the cloud' describes the way you store and access your sales data through an internet connection.

Cloud computing allows businesses to access their information virtually, creating a flexible and global way of accessing data any place, any time. Rather than storing your sales data and software on your personal computer or server, they are stored in the cloud; this can include applications, databases, email and file services.

Here are four models of cloud computing that differ in terms of access and security.

Private cloud	**Community cloud**
A private cloud is where the services and infrastructure are maintained and managed by you or a third party. This option reduces the potential security and control risks, and will suit you if your data and applications are a core part of your business and you need a higher degree of security or have sensitive data requirements.	A community cloud exists where several organisations share access to a private cloud, with similar security considerations. For example, a series of franchises have their own public clouds, but these are hosted remotely in a private environment.

Public cloud	Hybrid cloud
A public cloud is where the services are stored off-site from the business and accessed over the internet. The storage is managed by an external organisation such as Google or Microsoft. This service offers the greatest level of flexibility and cost saving; however, it is more vulnerable than private clouds.	A hybrid cloud model takes advantages of both public and private cloud services. By spreading your options across different cloud models, you gain the benefits of each model. For example, you could use a public cloud for your email to save on large storage costs, while keeping your highly sensitive data safe and secure behind your firewall in a private cloud.

Computer cloud advantages

There are many benefits to using cloud computing to record your organisation's sales data.

Here is an explanation of how cloud computing could benefit your business.

Reduced IT costs

Moving to cloud computing may reduce the cost of managing and maintaining your IT systems. Rather than purchasing expensive systems and equipment for your business, you can reduce your costs by using the resources of your cloud computing service provider. You may be able to reduce your operating costs because:

- the cost of system upgrades, new hardware and software are included in your contract
- you no longer need to pay wages for expert staff
- your energy consumption costs are reduced
- there are fewer time delays.

Scalability

Your business can scale up or scale down your operational and storage needs quickly to suit your situation, allowing flexibility as your needs change. Rather than purchasing and installing expensive upgrades yourself, your cloud computer service provider can handle this for you.

Business continuity planning

Protecting your data and systems is an important part of business continuity planning. Whether you experience a natural disaster, power failure or other crisis, having your data stored in the cloud ensures it is backed up and protected in a secure and safe location. Being able to access your data again quickly allows you to conduct business as usual, minimising any downtime and loss of productivity.

Collaboration efficiency

Collaboration in a cloud environment gives your business the ability to communicate and share more easily outside the traditional methods. If you are working on sales opportunities across different locations, you can use cloud computing to give salespeople and third parties access to the same files. You can also choose a cloud computing model that makes it easy for you to share your records with your advisers (e.g. it is a quick and secure way to share accounting records with your accountant or financial adviser).

Flexibility of work practices

Cloud computing allows salespeople to be more flexible in their work practices. For example, you have the ability to access data from home, on holiday or on the commute to and from work (providing you have an internet connection). If you need access to your data while you are off-site, you can connect to your virtual office quickly and easily.

Access to automatic updates

Access to automatic updates for your IT requirements may be included in your service fee. Depending on your cloud computing service provider, your system will regularly be updated with the latest technology. This can include up-to-date versions of software, as well as upgrades to servers and computer processing power.

Spreadsheets

Regardless of the nature of the organisation and its products and services, it is important to organise the sales data and revenue to ensure everything is accounted for and you produce accurate sales reports.

Spreadsheets are an efficient way of organising sales data once it has been collected and recorded.

Organise the information via a spreadsheet using software programs such as Microsoft Excel. Rather than scrolling through a list of disorganised records, use Excel's built-in tools to find the records you need, such as date, client name, phone numbers, email address, product, quantity, unit price, total price and referral source.

Each row on your Excel spreadsheet can represent a new and unique sales record and each column can contain categories of information. This arrangement allows you to use the sort and filter tools without jumbling your data.

Excel spreadsheets also allow you to:
- analyse sales data
- add time line controls
- apply formulas and calculations
- produce graphs and tables
- extrapolate data to produce reports.

Databases

A sales management database offers you a way to quickly, easily and effectively manage your sales pipeline. By using an application specifically designed for forecasting, prospect tracking, contact management and collaboration, you will be more organised and have the added benefit of using reporting tools that make it much easier to analyse lost opportunities and strategies for future ones.

A customer relationship management (CRM) system is a sales database that allows you to manage all your customer, client, partner, supplier and prospect information in one place. While CRM systems are generally used to manage contact information, they can also provide you with meaningful sales data relating to sales forecasting, opportunity management, analytics reporting and marketing campaigns.

Sophisticated CRM systems include mobile sales activity tracking to ensure salespeople have access to instantaneous client updates when they are out of the office or on the road. This allows salespeople to close deals faster and reduces the time to resolve client issues or complaints.

Your sales database should be simple, usable and customisable.

Tables, graphs and charts

To facilitate the interpretation and analysis of sales results, data can be organised and presented as tables, graphs and charts that can be placed directly into your sales report. The type of format or tool you find best to use will depend on the sales data you have captured.

Tables, graphs and charts are useful for presenting your sales data in ways that are easily understood by a particular audience. Sales reports often use tables, graphs and charts to interpret critical sales data; these clearly identify and present sales performance and results.

Here are examples of tables, graphs and charts.

Tables

Examples of tables:

- Frequency distribution tables
- Relative and cumulative frequency distribution tables
- Tables with more than one classification

Graphs and charts

Examples of graphs and charts:

- Column, surface, radar and doughnut charts
- Line and stock graphs
- Pie and bar charts
- Scatter plots

Commentary and analysis

While sales data shown in spreadsheets, tables, graphs and charts measures and identifies sales performance and variances, commentary and analysis must be included to explain why particular results have been achieved or the root cause of variances.

Commentary and analysis are written explanations detailing why particular sales data exists.

Cyclical, seasonal, political and economic changes or changes to a particular market segment may have a direct impact on your sales performance.

Here is an example that identifies the root cause of a variance, determines its ongoing impact on the business and lays out a response to prevent it from happening in the future.

'Revenue is down on budget due to the low uptake of the high-margin Valentine's Day promotion. Customers were drawn to cheaper offers from our competitors. This revenue will not easily be recovered in the rest of the year. We will evaluate our Easter promotion against the market to make sure we are more competitively priced.'

Organisational requirements

Follow organisational policies, procedures, protocols and forms for collecting, recording and organising sales data.

Those relating to sales data may include specific procedures, but should also include the roles and responsibilities of salespeople; a code of conduct for working ethically and responsibly to client service standards; policies and procedures relating to privacy, confidentiality and security; and the use and security of technology.

Specific policies and procedures may include:

- record-keeping policies and procedures
- sales and marketing policies and procedures
- financial information – recording and reporting time frames
- protocols and methods for sharing of sales data
- sales data collection forms
- sales inquiry forms.

Legislative requirements

Collecting sales data is essential to tailoring your client service program and growing your business. However, there are legal requirements regarding what you can do with the information you have collected.

Here are the details of two legal requirements around sales data.

Privacy Act 1988 (Cth)	*Corporations Act 2001* (Cth)
Privacy laws govern how organisations must record, store and dispose of data relating to the sales process. If you save contact and personal information from clients, you are required under the Privacy Act to make your clients aware of what you are collecting. You must clearly explain to your clients how you will use their information. All clients must have access to any information you have collected about them.	Although all businesses should keep sales and other financial records to ensure they understand how their operations are faring, there are some types of companies that must keep these records for the purposes of preparing and lodging financial reports with ASIC. A company's annual or financial report usually includes sales revenue data. Financial reports prepared in accordance with the Corporations Act must comply with Australian Accounting Standards and International Financial Reporting Standards. Your organisation will have to lodge a financial report with ASIC if there are substantial sums of money involved; if the general public has invested funds with the company; or if the company exists for charitable purposes only and is not intended to make a profit.

Example: establish a system for organising sales data

Gael runs her own business designing and creating one-of-a-kind wedding cakes. She gains most of her sales prospects via inquiries on her website and referrals through social media platforms such as Facebook and Instagram. Gael's wedding cakes retail for between $500 and $1,000 and generally cost about 20 per cent of the retail value for her to make. She generates a gross income of $1,700 or more each week on a full-time basis.

Gael currently records her client details and sales data using a Microsoft Excel spreadsheet. Her spreadsheet includes column headings such as: date, client names, phone numbers, email addresses, product, quantity, unit price, total price and referral source. She uses Excel to extrapolate her sales data into a bar chart to identify her peak selling season and most popular wedding cake products. While her spreadsheet system is efficient and works for the small size of her business, she would like to use a holistic sales and client data management system that she can access from her smart device when away from home.

Gael begins using a business software package called CakeManager that has been specifically designed for home bakers to manage orders, schedule work activities and appointments, cost out recipes, price goods, create shopping lists, control inventory, log mileage and manage client information.

CakeManager also allows Gael to collect, record and organise her sales data by tracking marketing and social media activities, recording and comparing costs, revenue and profits, and managing her invoicing system. The best part is that she can log into the CakeManager cloud from her smart device to monitor her business activity from any location. This is saving her time and money.

Practice task 10

Read the scenario, then answer the questions that follow.

Scenario

You are the sales manager at an online children's clothing store selling school bags and boys' and girls' school uniforms, such as tracksuit pants, skirts, dresses, hats, school pants, shirts, polo tops, jumpers, blazers and raincoats. Your supervisor, Lynton, has asked you to examine how this year's back-to-school sales campaign has performed compared with last year's campaign. Lynton wants you to collect, record and organise the monthly sales data for January only.

1. List three types of sales data you would collect.
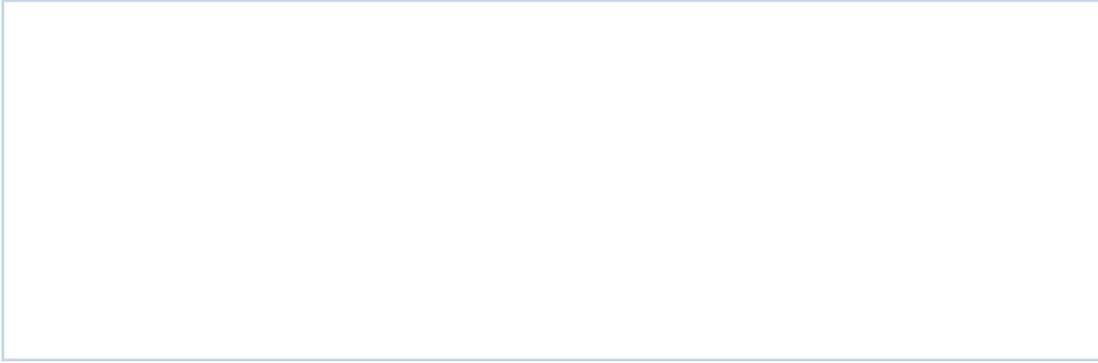
2. Describe three ways you would collect the sales data.

3. Describe one way that you could record the sales data.

... continued

4. Explain how you would organise the data to provide the analysis requested by your supervisor.

4B Complete routine reports at regular intervals using available technology

Sales reports are key to helping you gauge how well your team and the organisation are meeting their sales goals. Sales reports show the trends that are occurring in your organisation's sales volume over time.

In its most basic form, a sales report shows whether sales are increasing or declining. At any time during the financial year, sales managers can analyse the trends in the report to determine the best course of action moving forward.

Routine sales reports provide opportunities to share success and potential problems on a weekly, monthly, quarterly or annual basis, allowing for immediate action if necessary. Take advantage of available technology to prepare and complete routine sales reports at regular intervals, as per the needs and preferences of your organisation.

Sales reports

Sales reports indicate where clients are spending their money, how often and how much they are spending. These reports are indicators of financial success and provide an organisation with opportunities to notice downward trends in sales numbers before they become critical and to identify market opportunities and areas where they could increase volume.

Sales should be reported on regularly, according to organisational requirements, such as weekly, monthly and annually.

Sales reports should be accurate, consistent and concise, yet contain sufficient detail to convey information requirements and recommendations. They must be complete and contain all the information required to measure sales performance and analyse sales reports.

Here are the types of information presented in a sales report.

Actual sales

A sales report shows an organisation's actual sales over a specified period, such as a quarter, a year or any time frame that is significant to your sales cycle.

In larger organisations, sales reports may only contain information for a division or region within the organisation. For smaller organisations, the business manager may be more interested in breaking sales data down by location or product.

New and repeat business

A sales report can show data that analyses new versus repeat business. A sales report can include the percentages of revenue coming from these different client groups. Managers can use this information to identify whether they are retaining business.

New versus repeat sales data is also useful for measuring the effectiveness of new marketing and promotional activities, new products or services, or the deliberate targeting of new market segments.

Product or service demand

A sales report can show whether there is a problem with product or service demand. A long-term decline in sales for a single product or service may indicate one of several issues: the competition could be eroding market share, or other products sold by your organisation may be doing the same thing.

A long-term decline may indicate that it is time to stop selling a particular product or offering a particular service, or time to refurbish your brand. A decline could also indicate that your clients' needs are changing and that your product or service needs to be repackaged for a new purpose or target market.

Market price estimates

A sales report can show estimated market prices. The characteristics of features of a particular product may determine its market value, based on what the market has paid in the past. This is particularly important when selling real estate.

For example, specific features of a home may cause it to increase or decrease in value, such as the number of bedrooms, square footage or a swimming pool. In other lines of business, the same principle can be applied to a product's raw materials, reputation or brand name.

Prospecting and marketing efforts

A sales report can detail prospecting and/or marketing efforts, and identify your organisation's target client or market segment. The sales report may cover prospecting efforts initiated in the previous year and how those efforts are reflected in the current year's sales figures.

Your sales report could include case studies that provide actual results of your prospecting or marketing efforts, so that those reading the report can understand how your organisation has been successful with prospecting and marketing initiatives.

Sales trends
A sales report can identify sales trends and how they affect the organisation's bottom line. This provides readers and investors with a clear understanding of what the trends were in sales and how the organisation adapted to these. This information is usually best presented in graph format, identifying clearly how trends have increased or decreased the sales dollars brought into the organisation and how these trends have changed from year to year.

Present sales reports

Your sales report must present outcomes using clear language suited to a specified audience, such as your clients, investors, employees, suppliers, business partners or the general public. Avoid jargon and define technical terms if necessary.

If you are presenting the information verbally, make sure you ask specific questions and listen to the person's answer to check they understand your information.

The information you present should further the group's understanding of relevant ideas through constructive engagement in subsequent discussion, such as at a board meeting, sales team meeting, investor road show, annual general meeting or company information session.

The technology you choose to use in presenting your sales report will depend on the capabilities, requirements and preferences of your organisation. Choose the technology that most easily and accurately presents the sales data relevant to your business.

Use a standardised format

Your organisation may provide a standardised sales report template that you are required to use.

Include the date, time frame that the sales report covers, the specific department and other essential information, such as the sales region or specific product or service. Lead with the most significant number of sales in your specified period. Include a summary of how the sales figures compare to the same period in the previous year.

Add any other relevant statistics, such as the outcomes of various prospecting methods. Discuss any challenges that affected sales in the specified time frame, such as cyclical, seasonal, political or economic changes.

Complete the organisation's standardised sales report routinely and according to the relevant time frame.

A sales report may include sales data relating to:

- how many products were sold
- the number of cold calls made
- the number of follow-up appointments made
- the number of incoming sales calls received by each salesperson or a whole sales team
- successes and failures
- why sales figures are abnormal; for example, identifying public holidays when the business was closed and zero sales were made
- salespeople who have made an outstanding effort or have a successful track record of sales performance.

Alternative presentations

Here are some other ways of presenting a sales report.

Ways to present sales reports

Electronic presentation

You may decide to present your sales report via an electronic presentation such as PowerPoint, using slides to create a well-written, factual, impressive and engaging presentation of your sales data and recommendations.

Such presentations are highly customisable and can be used for monthly, quarterly, weekly or yearly sales reports. Hard-copy notes can be distributed.

Use listening and questioning skills to check and confirm understanding.

Annual or financial report

You may be required to present your sales report within your organisation's annual or financial report.

Annual reports are intended to give shareholders and other interested people information about the company's activities and financial performance.

Similarly, sales data may be included in your financial report if you work for an organisation required to submit a financial report to ASIC each year.

Create your own template

If you are seeking a professional, well-organised sales report template, basic word processing software can assist you to develop a template that is suitable for your organisation's needs.

Read reports from other organisations or search the internet, then discuss what is appropriate for the needs of the organisation you work for.

Analyse sales reports

Sales analysis is a process that examines sales reports to identify what products and services have and have not sold well.

The analysis is then used to determine how an organisation should stock inventory, measure the effectiveness of sales plans and strategies, and set manufacturing capacity to ensure it is performing well against its sales objectives.

Here are some processes to follow in analysing sales reports.

Calculate net working capital turnover

Use the following formula to calculate your organisation's net working capital turnover.

Formula: net working capital = net sales ÷ average working capital

A low ratio could uncover inefficiencies in your organisation, while a high level could indicate that it uses too much capital.

Calculate sales growth

Use the following formula to calculate sales growth.

Formula: sales growth (%) = (sales revenue for current year – sales revenue from previous year) ÷ sales revenue from previous year x 100

This determines whether the business is growing, declining or remaining the same, and indicates whether it needs to take action to remedy any issues.

Determine an affordable growth rate

Use the following formula to determine an affordable growth rate for your organisation.

Formula: affordable growth rate (%) = (net income ÷ earnings from previous year) x 100

If your organisation's sales growth exceeds its affordable growth rate, you may need to allocate inventory and additional assets to sustain growth.

Calculate the break-even percentage

Use the following formula to calculate your break-even percentage.

Formula: break-even (%) = (gross profit ÷ total expenses) x 100

A break-even analysis shows the minimum level of sales necessary to ensure the organisation does not lose money. It identifies how sensitive the break-even point is to changes in both fixed and variable expenses.

Examine strengths and weaknesses of sales strategies

Analyse sales report to evaluate the strengths and weaknesses of sales strategies. Use a mind map or SWOT analysis to identify why your organisation has been successful or unsuccessful. Use this technique to help your sales team learn from its experiences and remedy inefficiencies in sales strategies and tactics.

Conduct period comparisons

Analyse your sales report to compare one time period to a comparable period in the past. Your organisation may look at sales this month compared to the same month in the previous year, month-over-month sales figures or some other interval, depending on the needs of the business.

Compare sales performance with those of competitors

Analyse your sales report to compare your organisation's sales performance with the performances of your competitors, to identify how well each of your products or services competes against other options in the market. Competitors' sales may be listed in public sources, such as their websites or company comparison websites.

Example: complete a routine sales report

Cynthia manages a sales team responsible for selling kitchen white goods, laundry white goods, hot-water systems, heating and air conditioning units, and small appliances, all manufactured by the company she works for. There has been a sharp decline in sales revenue over the last five years as industry manufacturers move their operations offshore.

Cynthia conducts an industry analysis and notices that the household appliance manufacturing industry has struggled to compete in a market increasingly dominated by imported goods. She decides to develop a quarterly sales report that can be used to forecast annual sales decline for her company. At the end of the first quarter for the year, Cynthia produces her sales report.

QUARTERLY SALES REPORT							
STATE: NSW				QUARTER: 1		YEAR: 2014–15	
Annual sales target: $1,500,000							
Qtly sales target $	Qtly sales achieved $	Variance $	YTD budgeted sales $	YTD actual sales $	Variance $	Qtly sales achieved 2014–15 $	YTD sales achieved 2014–15 $
375,000	285,000	(90,000)	375,000	285,000	(90,000)	285,000	285,000
Summary of quarterly performance:							
Sales have declined due to increased competition from low-cost producers across Asia, combined with low domestic demand.							

Top 3 selling products:

Product	Value	Key client
Fridge	$50,000	ICY COLD PTY LTD
Washing machine	$43,000	INASPIN LTD
Dishwasher	$28,000	WASHADISH INC

Comments: top selling products have been consistent for the past five years.

New clients: SEE BREEZE PTY LTD (air conditioning unit retailer)

Comments: an unusually hot summer period increased demand for our air conditioning units.

How did they hear about us: referral from ICY COLD PTY LTD

Customers targeted this month: all

Comments: sales activities have been focused on retaining our existing clients.

Sales revenue forecast: sales revenue is likely to decrease by 24% for the 2014–15 financial year.

Sales trends: the number of units sold has continued to decline.

Practice task 11

Prepare some questions and conduct an interview with a sales manager. Identify how the manager completes routine sales reports at regular intervals according to organisational requirements. Identify how they use available technology to complete and produce their sales reports.

Summary

1. Establishing a system to collect, record and organise sales data is essential to managing a productive and efficient business.

2. You must collect meaningful sales data in order to evaluate your organisation's performance and productivity levels, analyse sales activity for a specific salesperson or product line, forecast future sales, identify profit margins and analyse market trends.

3. While some organisations still prefer manual record-keeping systems, most businesses use an electronic record-keeping system to record the data associated with the sales process.

4. Cloud computing describes the use of a third party for storage and computing needs.

5. Sales reports are key to helping you gauge how well your organisation is meeting its sales goals. Follow organisational requirements as to how these are presented, such as written reports, electronic presentations or insertions in an annual or financial report.

6. Routine sales reports provide your organisation with opportunities to notice downward trends in sales numbers before they become critical.

7. Sales report must present outcomes using clear language suited to a specified audience, such as your clients, investors, employees, suppliers, business partners or the general public.

Learning checkpoint 4
Complete sales paperwork and reports

This learning checkpoint allows you to review your skills and knowledge in completing sales paperwork and reports.

Part A

1. Identify three examples of sales paperwork.

2. Explain the importance of establishing a comprehensive system to collect, record and organise the data associated with the sales process.

3. Describe three organisational requirements that must be followed when completing routine sales reports.

4. Describe at least four ways to use technology to facilitate sales record keeping and present a sales report. Provide examples.

5. How can you make sure your audience understands the information you present in a sales report?

Part B

Read the scenario, then complete the tasks that follow.

Scenario

You are the sales manager at Couch Potato PC, a computer store, where you are responsible for selling five different brands of laptop computers to retail clients. Purchases can be made in store, by phone or online. There are three sales representatives working in the store, another handles the phone and another salesperson manages the online sales.

1. Create a basic sales data collection spreadsheet that you could use to collect monthly sales data for Couch Potato PC.

2. Describe how you would complete a monthly sales report for Couch Potato PC. Include an explanation of the type of information you would include and what technology you would use to present the sales report.
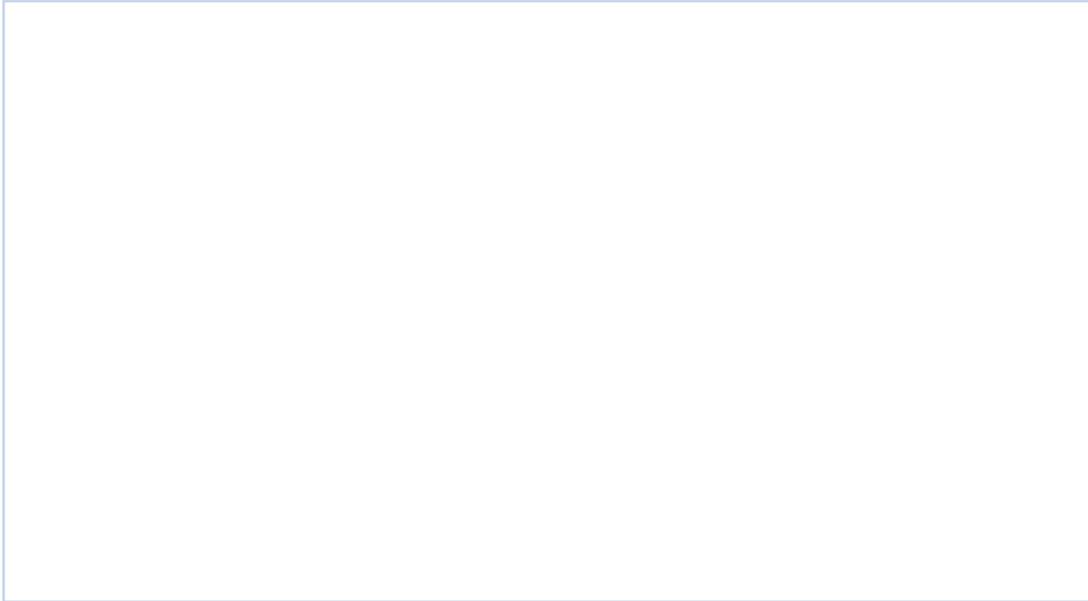
Topic 5
Organise your workload effectively

It is easy for sales managers and representatives to feel overwhelmed with demanding workloads, changing processes and increased sales activity, so much so that they can easily neglect work tasks that contribute to the very growth of the business.

It is essential that you organise your workload effectively by establishing routines, delegating tasks and applying time-management strategies in order to ensure your sales prospects and clients receive the attention and service they demand.

While you may have others who plan what it is that you will be doing, such as a supervisor or project manager, much of the responsibility for actually managing this workload is yours. You should be able to plan, organise and manage your workload to achieve your maximum potential without becoming stressed or compromising the quality of your sales performance.

In this topic you will learn how to:

5A   Establish routines and times for tasks and unanticipated events to provide work structure and to manage workload

5B   Analyse time spent on work and apply time-management strategies

5C   Delegate tasks to individuals to share the workload

5D   Identify and monitor symptoms of stress and seek expert assistance

5A Establish routines and times for tasks and unanticipated events to provide work structure and to manage workload

As a sales professional, your workload is likely to include a range of tasks with different levels of responsibility and importance. There may be competing demands on your time and important deadlines to meet.

The key to planning and managing your workload effectively is being able to establish routines and time for specific work tasks and also unanticipated events. This helps you manage your workload more effectively, prioritise tasks, improve sales performance, achieve goals, gain a sense of accomplishment and avoid being overwhelmed in your role.

Workload

You may be responsible for a range of tasks, such as establishing sales objectives by forecasting and development annual sales quotas for regions and territories; determining annual gross profit plans by implementing marketing strategies; analysing trends and sales results; projecting expected sales volume and profit for existing and new products; and developing an individual sales action plan.

In addition, you need to maintain professional and technical knowledge by attending training workshops and reviewing professional publications, and maintain a professional network by attending professional networking activities or participating in business associations.

Here are some additional activities you may be involved in.

A salesperson's workload may include the following tasks:

Maintaining sales volume, product mix and selling price by keeping current with supply and demand, change trends, economic indicators and competitors

Establishing and adjusting selling prices by monitoring costs, competition, and supply and demand

Completing national sales operational requirements by scheduling and assigning employees and following up on work results

Maintaining national sales staff by recruiting, selecting, orienting and training employees

Maintaining national sales staff job results by counselling and disciplining employees; and planning, monitoring and appraising job performance

Workload management

Effective workload management, both individually and as part of a sales team, has a number of benefits for your job performance, your team members and aspects of your life beyond the workplace.

Here are some benefits of workload management.

Time	**Working to agreed timescales**
	If the whole sales team has a common understanding of timescales and focuses on the overall sales objectives of the organisation, then each team member is more likely to meet deadlines and achieve their sales goals and quotas.

Record keeping	**Keeping up-to-date prospect and sales records**
	Keeping your prospect and sales records up to date helps you to keep track and remember what you have done and what you still need to do. Updated sales plans and schedules are useful for sharing information and providing evidence of sales progress to managers, colleagues and business partners.

Communication	**Communication with your team members**
	Sales work involves a range of different team members, some of whom need you to complete a task or pass on information before they can start or complete theirs. By communicating with your team members and keeping them up to date on your work progress, they can factor the time required into their own schedules and you can access their skills and knowledge as you need them.

Performance	**Individual job performance**
	Making better use of your time can increase your capacity and productivity, which means that your organisation becomes more effective. If you are able to take on more sales prospects or clients, then this may result in more sales revenue or professional rewards. Effective workload management can improve your career prospects and help you achieve your maximum potential.

Personal life	**Personal life**
	Work affects our lives outside the workplace. Poor workload planning and management may mean that you have to work outside normal office hours to complete tasks or follow-up activities, cutting into your personal time. Feeling out of control may also cause you feelings of stress and anxiety. Planning and managing your workload effectively mean that you are able to be more flexible. This means you can plan holidays and time out of the office without disrupting your sales progress.

Self-management

Self-management means taking responsibility for your own emotions, behaviours and wellbeing. Sales managers and team members must not be controlled by negative emotions, such as frustration, anxiety or rage, as these emotions impair the brain's capacity to focus on the task at hand. Self-management allows you to control your feelings, giving you mental clarity and the concentrated energy required to manage your workload effectively.

By developing self-management, you learn to embody optimistic enthusiasm in the workplace, which is especially important in the case of unanticipated events and activities. Self-management enables you to foster a workplace environment of trust, comfort, fairness and transparency.

Here is a list of leadership capabilities that determine competence in self-management.

Emotional self-control

Keep disruptive emotions and impulses under control, and channel them in useful ways. Remain calm in stressful situations.

Transparency

Display honesty, integrity and trustworthiness. Be open about your feelings, beliefs and actions. Openly admit your mistakes. Confront unethical behaviour in the workplace.

Adaptability

Be flexible and adapt to changing situations and overcome obstacles. Juggle multiple tasks without losing your focus or energy.

Achievement

Aim to improve performance to meet your inner standards of excellence. Be pragmatic by setting measurable but challenging goals and calculating risks to ensure that your goals are attainable.

Initiative

Seize or create opportunities. Bend the rules where necessary to create better possibilities for the future.

Optimism

See the upside in events. See others positively and expect the best of them. Have a 'glass half-full' attitude.

Workload plan

Planning your workload in advance allows you to stay on top of things and make changes as necessary. There are many different methods of planning your individual workload or the workload of your sales team. The choice of method will depend on whether it suits the way you work and your particular role. You may decide that a particular method works well in some situations and less well in others, such as during busy periods or when team members are on holidays.
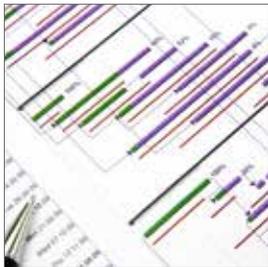
The tools that you use to plan your workload can be formal or informal, depending on their characteristics. These have a number of different advantages in different situations.

Formal planning tools

Be familiar with the range of formal tools available for planning and managing your workload.

Here are some examples of formal planning tools.

Gantt charts

Gantt charts illustrate the timescale and sequence of each task within a sales project.

They are used in complex projects involving a number of people, and are compiled and updated collaboratively.

Microsoft Project

Microsoft Project is a software program enabling sales team members to manage tasks, collaborate, submit time sheets, and flag issues and risks.

The program allows sales managers to analyse resources, budgets and time lines, and easily measure progress and anticipate resource needs with detailed and easily customisable out-of-the-box reports.

Customer relationship management systems

Customer relationship management (CRM) systems are a business tool that includes features to schedule people, resources, facilities and equipment in order to complete sales and provide services to clients.

Employee scheduling software

Employee scheduling software includes electronic scheduling tools that allow you to create and manage employee work schedules in an online calendar and then share those schedules with employees.

It uses integrated add-ons to track discrepancies between actual work hours and the set schedules that have been created, giving managers a better picture of what's happening in the organisation.

Task management software

Task management software is software that helps organisations conduct business online by combining advanced project management, resource planning, collaboration and financial tools to help businesses understand their productivity and take strategic action to improve profitability – all in the one place.

Individual work plans

Individual work plans help you plan a detailed account of how an individual or group proposes to accomplish a specific task, approach a project or pitch a sales presentation.

Work plans are sometimes referred to as statements of work.

Informal planning tools

There are more informal ways you can plan your workload using lists and Word functions, although all planning tools demand organisation and methodical preparation.

Informal planning methods include:

- a weekly activity schedule
- to-do lists in a personal diary
- Microsoft Outlook calendar and task scheduling tools
- work schedules manually entered into spreadsheets and emailed to supervisors or team members
- template or forms available from your organisation's intranet
- minutes from team meetings.

Prioritise work tasks

When you have a range of competing work tasks to complete, you may find that you often try to complete more than one task at a time. This may result in all of the tasks being done to a lower standard than you would have achieved otherwise. You may also be confused about which tasks to do first.

Prioritising work tasks help you complete your work more effectively and efficiently, as you clearly allocate time for specific work tasks and also unanticipated events and activities.

You can prioritise work tasks according to a number of different measures, as shown below.

Urgency and task importance

Important or high-priority tasks are activities that help you to achieve your sales goals and quotas. A good way to prioritise key tasks is to use a task ranking system or complete a priority graph on a daily basis.

For example:

- 'A' tasks should be tackled immediately
- 'B' tasks should be planned and given action dates or time frames
- 'C' tasks should be done whenever you can do them, fitted around 'A' and 'B' tasks
- 'Z' tasks should be removed from your list of tasks or delegated to another team member

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Task givers

In a sales work environment, you may find yourself working for a number of different people or departments, rather than just your direct supervisor. This is because sales tasks can relate to prospecting, marketing, sales, finance, public relations and client service.

The benefit of working in this way is that you can gain from the skills and experience of a wide range of colleagues. It means that your team members will be aware of your work, and if you develop a good reputation you may find that you are offered more responsibilities and career opportunities.

> **Task inadequacies**
>
> When considering whether a task is urgent or important, you should also consider the consequences of the task not being completed or being completed inadequately or inefficiently.
>
> Poorly executed sales tasks, particularly those for prospects or clients, can have significant effects on your organisation. They may undermine the overall objectives and reputation of your business. They could also damage valuable relationships with key clients.

Unanticipated events

Unanticipated events are any unexpected activities, procedures or problems, occurring externally or internally within your organisation, that affect workload management, the successful completion of work tasks, or the safety and welfare of you and your team members. These situations may be unexpected in terms of their nature, severity or frequency.

Strategies must be in place to ensure such as event or problem is promptly responded to and reported to the relevant personnel.

It may be impossible to devise a predictive model for responding to particular emergencies or crises occurring in the workplace. However, advance planning can mitigate some disruptions to workload management.

Here are some strategies for handling unanticipated events.

> **Strategies for handling unanticipated events**
>
> - Ensure systems and processes are in place to monitor workflow and safeguard it when things go awry.
> - Establish guidelines to direct responses to various categories of emergencies, from unexpected tasks to fires and natural disasters.
> - Remove, reschedule, reprioritise or delegate known tasks to fit around the unanticipated events or activities.
> - Perform vulnerability audits, which analyse and identify weaknesses in processes and systems comprising a personal, team or organisation-wide workflow.
> - Allow time in individual and team work schedules to deal with unexpected tasks, within the constraints of existing schedules.
> - Face an unexpected event calmly by carefully and deliberately assessing the situation and promptly working out how to fix it,
> - Seek assistance and advice where necessary and before implementing a response.

Establish work schedules and routines

Manage your workload by creating daily, weekly or monthly schedules and routines that provide a structure for your work activities. Establishing schedules and routines that meet both your organisational needs and the desires of team members can be a challenge.

To effectively implement schedules and routines through busy and quiet periods, you need to identify and sequence each task you need to complete, make a realistic estimate of how much time each task will take and take a long-term view of the deadlines involved.

You should use your individualised sales plan, including sales goals, quotas, strategies and tactics, as a basis for scheduling daily, weekly and monthly work tasks. Prioritise each task based on its level of urgency and keep your supervisor or team members up to date on your progress. Ensure you allocate time for specific work tasks and also unanticipated events and activities.

Here is a process for a structure to establish work schedules and routines.

Use these steps to establish work schedules and routines

Make a master list of work tasks:

- List all of your outstanding work tasks.
- Rate your work tasks in terms of urgency and importance.
- List your work tasks in order of priority.

Plan your daily schedule:

- Allocate time in the first part of your work day to planning your daily work tasks.
- List the key activities first.
- Estimate how long each task will take you to complete.
- Decide how many tasks you will achieve that day.
- Decide when you will do each task during the day.
- Be realistic and allow time for last-minute tasks and unanticipated events.

Plan your weekly schedule :

- Consider the activities you cannot fit in today and allocate them to other days in the week.
- Do not leave unfinished tasks at the bottom of your list but prioritise them in order of importance.
- Anticipate busy or quiet periods and adjust your plans accordingly.
- Be prepared to make changes or reschedule tasks as necessary.

Use a diary or calendar:

- Use a diary or calendar, ideally an electronic version, to organise time frames and deadlines.
- Take advantage of tools that develop 'to-do' lists.
- Consider creating your own five-day weekly planner.
- Ensure all meetings, appointments, follow-up calls, visits, record keeping, and other sales and prospecting activities are recorded.

Create a routine:

- Allocate a planning or administrative time in your day or week and discipline yourself to use this to do tasks that are low priority, but important.
- Consider putting aside 15–30 minutes each day.
- Conduct or attend routine sales team meetings or one-on-one meetings with your supervisor to check sales progress, revisit organisational objectives, discuss issues or concerns, or develop new skills and knowledge.

Establish work plans

Work plans are useful tools to organise and manage your workload effectively. Work plans allow you to sequence, schedule and monitor complex activities for yourself and for others.

Work plans allow managers and supervisors to know what projects team members are working on over a specified time frame. Work plans are often developed immediately after an annual performance review or as work teams undertake large projects. Work plans can also be the result of organisation strategic planning sessions held at the beginning of a new financial year.

Individual works plans help you keep track of your sales goals and progress by delineating what you intend to do, how you intend to do the tasks and by what date you intend to have the work done. Goals may be short, medium or long term.

Here are some tips for writing a work plan.

Identify the purpose for your work plan

Start by determining a clear purpose so you can prepare, plan and schedule work tasks appropriately. Most work plans specify a certain period of time, such as six months or one year.

For example: 'The purpose of this work plan is to track and record my individual sales goals, progress and performance over a12-month period.'

Determine work plan goals

Work plan goals list the objectives you hope to accomplish through your work tasks. They should be broad and focus on the big picture of your role. Include short-, medium- and long-term goals so that your manager or supervisor can monitor and review your progress within specified time frames.

For example: 'The long-term goal of the sales team is to strengthen brand visibility in social media outlets over the next 12 months' or 'My short-term goal is to follow a daily work schedule.'

Your work plan goals may also include team goals you will contribute to, such as securing an important client or successfully implementing a new prospecting strategy.

Determine a list of work tasks to achieve each goal

Once you have identified your work plan goals, list the steps, activities or work tasks that you much accomplish to achieve these goals. Set specific dates and times for when work tasks must be completed and make sure you remember to check them off as you complete them.

For example, to achieve a short-term goal of following a daily work schedule or training a team member to do so, your tasks could include:

- create a daily work schedule template
- spend 15 minutes each morning scheduling the work activities for the day in order of importance
- allocate 15–30 minutes for unanticipated events
- seek feedback from team members to ensure the schedule meets the needs of the sales team.

List your resources

Include anything that will be necessary for you to achieve your goals and work tasks. Resources will vary depending on the purpose of your work plan.

For example, necessary resources may include :

- a budget (a detailed budget may appear as an appendix to your work plan)
- organisational personnel
- external consultants
- buildings or rooms
- reading materials
- technology.

Identify any constraints

Constraints are obstacles that may prevent you from achieving the goals or tasks listed in your work plan. For example, if you are working on a direct marketing campaign and need to request a budget approval from the finance department, you may have to wait longer than you anticipated to receive a reply.

You may encounter unanticipated events or activities in your work schedule that you have not allowed for and that make achieving the goals and tasks in your work plan an overwhelming exercise. Be sure to discuss these issues with your manager or supervisor as soon as they arise, so that your work plan can be revised; otherwise tasks or goals can become overdue and this could negatively affect your performance review later on.

Identify who is accountable

Accountability is essential for a good work plan, particularly if your individual work plan includes the achievement of team goals. Identify who is responsible for completing each work task. As mentioned, there could be a team of people working on a project, but only one person is answerable for a task being completed on time.

Write a strategy to manage the workload

Look over your work plan and decide how you will use your resources and overcome your constraints in order to reach your goals and objectives. This could include adjustments to the way you work or manage your team. It would also include strategies for managing your time more effectively.

List specific action steps and identify what needs to happen each day or week for you to complete your work tasks. If you are a team leader, list the steps that team members need to take to achieve team goals. Consider using project management software or a personal calendar to keep this information organised.

Incorporate your work schedules and routines into developing, reviewing and adjusting your work plan. When unexpected events occur in the workplace or in your personal life, you need to allow space in your schedule to avoid falling behind.

Example: establish work routines and schedules

Here is an example of how a daily work schedule could be set out using a table or spreadsheet.

Time	Task	Notes	Priority
8.00	Arrive at work.	Make a coffee, log onto computer, check emails.	–
8.30	Establish and review daily work schedule.	Review work tasks and set reminders for any meetings, appointments or follow-up calls.	A
9.00	Log onto phone system.	Answer all incoming sales calls and enter prospect information directly into CRM system after each phone call.	B
9.30	Answer incoming calls.		
10.00			
10.30			
11.00			
11.30	Make cold calls to three lapsed customers.	Make cold calls and enter information into CRM system.	C
12.00			
12.30	Lunch break	Go outside and get some fresh air and exercise.	–
1.00	Log onto phone system.	Answer all incoming sales calls and enter prospect information directly into CRM system after each phone call.	B
1.30	Answer incoming calls.		
2.00			
2.30			
3.00	Attend work plan meeting with manager.	Meet with manager to discuss individual work plan and identify whether goals have been achieved. Review work plan and change time frames if necessary.	C
3.30	Make follow-up calls to five sales prospects.	Make phone calls to at least five sales prospects who have made inquiries via the company website.	A
4.00	Attend to unanticipated tasks.	Attend to administrative tasks, such as entering data into the CRM system if not already done so, answering low-priority emails and responding to meeting invitations.	C
4.30	Sales team debrief	Meet with sales team to discuss the day's activities and identify what to expect tomorrow.	A
5.00	Tidy up workspace and go home.	Remind myself of what I have achieved today.	–

Practice task 12

Read the case study, then answer the questions that follow.

Case study

Ebony works as a sales representative in a busy call centre, where she is responsible for making and receiving calls from prospects interested in purchasing security alarm systems for commercial and residential buildings. She is having difficulties prioritising her work tasks. She often feels overwhelmed by her responsibilities. Instead of completing one work task at a time, she finds herself starting myriad tasks and not completing any of them by the end of the day.

When Ebony receives calls from sales prospects, she scribbles their information down and puts it aside to enter into the CRM system later. Her sales performance has decreased due to her lack of workload organisation. Her team members are becoming frustrated with her lack of motivation and inability to meet team demands within specified time frames.

Her supervisor, Trina, schedules a meeting with Ebony to discuss her performance. Ebony is late to the meeting because she did not set a reminder in her calendar. When she does finally arrive, Trina notices that Ebony looks flustered and distracted.

1. Describe how Ebony would benefit from establishing a daily work schedule.

2. Explain why Ebony should collaborate with her manager to develop an individual work plan.

3. Describe how Ebony could allocate time for unanticipated events and activities.

5B | Analyse time spent on work and apply time-management strategies

By analysing and managing your time, you can minimise or cut out non-essential activities and manage your workload more effectively. This should improve your sales performance and enhance your career.

Time and workload management is an important matter for sales professionals. Sales-related activities such as conducting market research, developing new prospecting methods, travelling to meet clients and recording important contact information can be time-consuming and stressful if not managed properly.

To manage your time and workload, you can:

- conduct an analysis of the time you spend on work-related activities to identify whether there are any adjustments you could make to the way you carry out tasks or perform in your role
- enlist the help of your team members to strategise ways of improving overall team performance
- learn and apply time-management strategies that will minimise non-productive sales activities and prioritise the productive sales activities accordingly.

Productive and non-productive work activities

It is only when you properly understand how you use your time at work that you can minimise or eliminate non-productive activities. This means that you can do more high-value work, while still being able to leave the office at a reasonable hour.

You must be selective about how you use your work time to achieve meaningful outcomes. While an activity may be work-related, it may not be conducive to a productive work environment. Any work-related activities that are considered administrative or maintenance must be prioritised lower than activities that go towards achieving your sales goals and objectives.

Here is a list of productive and non-productive work activities.

Productive work-related activities

- Making follow-up phone calls
- Developing new prospecting methods
- Recording prospect information
- Completing sales paperwork
- Drafting a direct marketing email
- Undergoing sales skills training
- Attending networking events

Non-productive work activities

- Chatting with colleagues
- Checking and reading emails
- Organising your desk
- Browsing social media
- Organising a work social event
- Writing greeting cards
- Filing and archiving

Activity logs

An activity log, activity diary or job activity log is a written record of how you spend your time. You can use an activity log to analyse the time you spend on productive work-related activities.

Activity logs should not be confused with time sheets. While time sheets are used to report on your use of time and for tracking the time you spend on a task or job, activity logs help you build up an accurate picture of what you do during the day and how you invest your time.

You can create your own activity log template using a spreadsheet and selecting column headers that are relevant to your organisation and job role. Column headers may include date, time, activity description, how you feel (alert, flat, tired, stressed), duration, value (high, medium, low, none) or who allocated the activity.

Here are some advantages of using activity logs.

Identify your most productive time of day

Your activity log helps you understand whether or not you are doing your most important work during the right time of day. For example, if you are more focused and creative in the morning, you would be better off doing your priority work during this time. You can then attend to lower energy tasks, such as responding to emails or returning calls, in the afternoon.

Identify non-essential activities

Activity logs are useful for helping you identify non-essential activities that do not help you meet important sales goals and objectives. For example, you might spend more time than you think browsing social media or organising social activities. When you see how much time you are wasting on non-productive activities, you can then adjust the way you work to eliminate them.

Know where to eliminate or delegate tasks

Once you have analysed your activity log, you should be able to increase your productivity by eliminating or delegating tasks that are not part of your job role or do not help you meet your sales goals and objectives. These may include tasks that another team member in the organisation could be doing. Follow organisational policy and don't send non-work-related emails during work time.

Minimise the number of times you switch tasks

Activity logs help you identify and minimise the number of times you switch between types of tasks. For example, you may be checking and replying to emails ten times a day when you could minimise this to three times a day or during breaks. You could wait until the end of the day to record prospect information rather than entering the information into a database as you receive it, although this may be counterproductive and it may be better to fully complete a task. Work out what suits you and makes you more productive.

Reduce the amount of time you spend on personal activities

Activity logs help you identify and reduce the amount of time you spend on legitimate personal activities such as making a coffee or leaving the office to purchase food. While organisational policy is generally flexible to allow you to do this, you could take turns within your team to carry out these tasks, to save time and build better workplace relationships.

Apply time-management strategies

You may have days when you set out to achieve a lot, but by the end of the day realise that many of your work tasks are left undone.

Select and apply time-management strategies to minimise non-productive sales activities and allow you to meet your daily objectives. This may include prioritising work tasks by distinguishing between sales activities that are urgent, important, essential or non-essential, and using a personal planning tool to improve your productivity, such as electronic planners, pocket diaries, calendars, computer programs, wall charts or notebooks.

Another useful tip is to organise your desk by removing clutter that imposes unnecessary time on work tasks.

Here are some more time-management strategies.

Time-management strategies
• Create lists each morning of sales tasks that must be completed by the end of the day and identify the amount of time each task requires.
• Schedule your time appropriately using routines, schedules, sequences or activity logs.
• Delegate or assign responsibility for a task to another sales team member, freeing up your own time for tasks that require your expertise.
• Manage, decrease or eliminate external time wasters such as personal calls and emails, surfing the internet or browsing social media.
• Avoid multi-tasking if switching from one task to another too often causes you to lose time and concentration.
• Schedule time to keep yourself physically and mentally healthy, so you can accomplish tasks more quickly and easily in the workplace.
• Understand your own natural rhythm and arrange your day to take advantage of your natural peak energy times (as this isn't the same for everyone).

Example: apply time-management strategies

Denise is a phone salesperson at Airy Airlines, where she is responsible for receiving inbound sales calls from clients making corporate flight bookings. Denise is required to log into the phone sales system in three-hour intervals, twice a day. When she is not logged into the phone sales system or taking a break, she should be spending her time emailing reservation confirmations, making requested changes or cancellations, recording client information, making notes on existing client files or responding to work-related emails.

Instead of completing these tasks, Denise spends her downtime editing her LinkedIn social media profile and reorganising her messy workspace in an attempt to locate important sales data that she has strewn across her desk.

After a recent team meeting, all staff are now required to complete an activity log over five days to investigate the amount of time each salesperson is spending on productive work-related activities. Surprisingly, filling out her activity log is the only task Denise successfully completes during the process.

Denise's manager, Robert, sits down with her to discuss ways that she could manage her time more effectively and increase her sales productivity. After their discussion, Denise:

- tidies up her workspace and obtains three trays from stationery to place information relating to new bookings, booking changes and booking cancellations
- takes advantage of her desktop management software to make and prioritise a list of daily tasks and schedules phone calls, emails and meetings into a calendar
- leaves her smartphone in her personal locker during work hours so she is not tempted to waste time browsing social media while at her desk.

Practice task 13

1. List two productive and two non-productive sales activities.

2. How could you determine and analyse time spent on non-productive sales activities?

3. List four adjustments you could make to the way you perform specific work tasks in order to improve sales productivity and performance.

4. What time-management strategies could you apply to minimise non-productive sales activities?

5C | Delegate tasks to individuals to share the workload

You can only work so many hours in a day and there are only so many tasks you can complete in these hours. As a sales professional, you may be required to travel, spend time on the phone or attend networking activities that take time away from completing other priority tasks in the workplace.

While follow-up on prospects and creating new business contacts are essential to achieving sales results, you risk letting your sales team down if it relies on you to complete specific tasks within a time frame that you are struggling to meet.

If you are feeling stressed and overwhelmed in your role, you may need to consider delegating tasks to individuals to share the workload as appropriate.

If you work on your own, your success is limited to what you alone can achieve. By appropriately delegating tasks, you allow yourself the opportunity to achieve greater sales success.

The value of delegation

Organising, analysing and delegating workloads all maximise productivity and ensure you have time to spend on tasks that require your expertise. If you learn to delegate well, you can build a strong and successful sales team of people who are equipped to meet the demands that others place on them.

People may avoid delegating because they feel that they are the only ones who can do a job successfully and refuse to train other people to do it, or they believe a task is their responsibility and should not be transferred to different people.

Always consider the best use of your time. For example, you may have the knowledge and expertise to design and write content for a direct mail campaign to promote a new product. However, consider whether this is a good use of your time. The chances are that your skills are better used in developing the prospecting strategy and coming up with new ideas to target a particular market.

By meaningfully involving other team members in the prospecting strategy, you develop their skills and abilities. This means that the next time a similar prospecting opportunity presents itself, you can delegate the task with a high degree of confidence that it will be done well and with much less involvement from you.

When to delegate

To delegate appropriately, you must be selective and specific in order to ensure tasks will be carried out by sales team members who have the appropriate skills and knowledge, or who you can instruct and monitor accordingly.

To determine when delegation is most appropriate, there are a number of key questions you can ask yourself, as shown below. If you answer 'yes' to any of these, then it could be well worth delegating the task.

To delegate appropriately, ask yourself the following questions:

- Is this a task that someone else can do or is it critical that you do it yourself?
- Is there another team member who has (or can be given) the necessary information or expertise to complete the task?
- Does the task provide an opportunity to grow and develop another team member's skills?
- Is this a task that will recur, in a similar form, in the future?
- Do you have time to delegate the task effectively (training; asking questions; opportunities to check progress)?
- Is this a task that is critical for long-term success and should you delegate the task at all?
- Is there time to redo the task if it is not done properly the first time?
- Would a failure be crucial if you delegated inappropriately?

Types of tasks to delegate

The types of tasks that you can delegate to other sales team members will depend on your role and seniority. If you are a sales team leader or manager, there are certain tasks that can only be completed by you, such as completing team work plans, conducting performance reviews or producing sales reports for senior management.

However, for you to complete these particular tasks, there may be other sales-related activities that you could assign to your team members. Not only does this free up your time to perform your responsibilities more effectively, but also allows you to develop and train your sales team members in the process.

Sales activities that can be delegated include:

- administrative tasks, such as typing and distributing meeting minutes, scheduling meetings or collecting time sheets
- prospect strategy preparation, such as designing brochures, mail-outs or advertisements
- selling techniques, such as phone sales, face-to-face selling or cold canvassing
- attending or participating in networking events, such as conferences, trade shows or seminars
- conducting sales training, where the training could be outsourced or facilitated by a senior team member
- travelling, by assigning certain prospects to different team members who can travel
- follow-up calls, such as answering website inquiries or responding to phone messages.

Process of delegation

Once you have decided that a task should be delegated, you should consider to whom and how you will go about delegating it.

Ineffective delegation may mean that work is undertaken that doesn't meet the organisational objectives or budget, people may waste their own time trying to clarify information, may lose motivation or may become overwhelmed with the enormity of the task.

Here are the factors you should consider when deciding on a delegation process.

Who	When deciding which individual or team member you should delegate a task to, consider:
	• the experience, knowledge and skills of the team member as they apply to the delegated task
	• the individual's preferred work style
	• the individual's long-term goals and interests
	• the individual's current workload
	• how long it will take the individual to complete the task
	• how reliable the individual is in completing tasks correctly and competently
	• whether it involves rescheduling other responsibilities and workloads of team members.

How	Adhere to the following principles to delegate successfully:
	• Clearly articulate the desired outcome and specify the desired results.
	• Clearly identify any constraints and boundaries, such as lines of authority, responsibility and accountability.
	• Clearly identify when the individual should ask questions, make recommendations, act, report and initiate action.
	• Where possible, include others in the delegation process and empower them to decide what tasks should be delegated to them and when.
	• Match the amount of responsibility with the amount of authority.
	• Provide adequate support and be available to answer questions.
	• Focus on results and concern yourself with what is to be accomplished, rather than detailing how the work should be done.
	• Build motivation and commitment by discussing how success will affect financial rewards, future opportunities, informal recognition and other desirable consequences.
	• Establish and maintain control by discussing time lines, deadlines, schedules and sequences, and make adjustments as necessary.
	• Take time to review all submitted work.

Control	Once you have determined who you will delegate a task to and how you will go about delegating it, make sure you brief your team member appropriately. Spend time explaining why they were selected for the task, what your expectations are and the goals you have for the task or project.
	Identify all time lines and deadlines and make the appropriate resources available for the team member to utilise. Agree on a schedule for checking on the team member's progress.
	Try not to micromanage a team member who has been delegated a task. Find a balance between providing them with an appropriate amount of space to use their abilities to best effect, while still monitoring and supporting closely enough to ensure that the task is completed correctly and effectively.
Acceptance	When a delegated task is delivered or reported back to you, set aside enough time to review it carefully. If possible, only accept good-quality, complete work. If you accept work that you are not satisfied with, your team member will not learn how to do the task properly in the future. As well as this, you may need to redo the task yourself, compromising the entire delegation process.
	When the delegated task has been completed successfully, reward and recognise the team member for their effort. This will go a long way towards building your team member's self-confidence and efficiency and improving their ability to complete the next delegated task.

Example: delegate tasks

Matt is the sales manager at Ahoy Enterprises, a company that sells and hires shipping containers. He has extensive experience in sales, marketing and public relations, and has a four-person sales team to handle phone calls and website inquiries. Matt also manages two team members whose roles are dedicated to sales prospecting only. The company's CEO, Tamara, approaches Matt to discuss a new service the company is about to launch: a shipping container modification service to turn containers into cafes and residences. She asks Matt to design and develop an Australia-wide prospecting strategy to promote the new service.

Matt schedules a meeting with his two prospecting team members, Benita and Todd.

Matt has trained and mentored Benita and Todd since they both commenced working for the company two years ago. He acknowledges that he is incredibly busy running both the sales and prospecting teams, and does not have the capacity to spearhead the new campaign on his own. With comprehensive understanding of Benita's and Todd's experience, knowledge, skills and capacity, he delegates the job of designing and creating the prospecting strategy to them.

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Matt spends half a day carefully scheduling activities that must be completed, including timelines, deadlines and a budget for the campaign. He also schedules six planning meetings in advance, so that he can regularly monitor Benita and Todd's progress and allocate time towards answering any questions or concerns they have in designing the strategy.

Practice task 14

Read the case study, then answer the questions that follow.

Case study

Francesca is the sales and marketing team leader for a company that arranges functions for weddings, family celebrations and seasonal events. The role of Francesca's team is to sell and promote the service to a wide range of potential clients. She is responsible for a sales team of six who handle phone calls, website inquiries, promotions and marketing, and contracts. Two other members of the team, Hamish and Monica, are dedicated to sales prospecting only.

The manager wishes to branch out into corporate events and asks Francesca to design and develop a prospecting strategy to promote the new service.

Francesca schedules a meeting with Hamish and Monica. She has trained and mentored them since they both commenced working for the company two years ago. She acknowledges that she is incredibly busy running both the sales and prospecting team and does not have the capacity to spearhead the new campaign on her own, especially with an increasing interest in the current services offered and a marketing campaign to organise for spring weddings.

With a comprehensive understanding of Hamish's and Monica's experience, knowledge, skills and capacity, she delegates the job of designing and creating the prospecting strategy to them.

She spends half a day carefully scheduling activities that must be completed, including time lines, deadlines and a budget for the campaign. Francesca also schedules six planning meetings in advance, so that she can regularly monitor Hamish and Monica's progress and allocate time towards answering any questions or concerns they have in designing the strategy.

1. Describe what could happen if Francesca did not delegate the task of designing the prospecting strategy and does it herself.

2. Describe what could happen if Francesca did not clearly identify to Hamish and Monica the activities, time lines, deadlines and budget allocated towards the prospecting strategy.

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3. Explain how Francesca could ensure she does not micromanage Hamish and Monica in completing the delegated task.

4. Describe the action that Francesca should take if Hamish and Monica produce an exceptional and fully complete prospecting strategy as per her instructions.

5D | Identify and monitor symptoms of stress and seek expert assistance

Workplace stress refers to the adverse reactions or responses that occur when the demands of a job do not match the resources, needs or abilities of employees. While some level of stress is expected in the workplace, unnecessary or excessive stress has the potential to hinder a person's productivity or ability to perform in their role.

Uncertainty and fear related to the economy or issues relating to your organisation can make team members feel vulnerable or at risk of personal hardship. Learning and adopting new ways of coping with workplace stress are vital to improving the sales performance of your team.

Working in sales-related roles can be stressful due to demanding deadlines, a lack of confidence in sales skills, rejection from prospects, travel requirements, sales targets and personal factors. It is essential that you identify and monitor symptoms of stress in the workplace and seek expert assistance to manage it effectively.

Workplace stressors

Workplace stressors are events or situations occurring in the workplace that trigger the stress response in an individual or team. Workplace stressors can cause physical, chemical or mental responses inside the body, affecting mental function and performance.

It is important that you identify and alleviate any potential workplace stressors that could be detrimental to the health, performance or effectiveness of you or your team members.

One of the most common stressors is excessive workplace demands placed on team members, such as excessive workloads, organisational culture, the physical environment, challenging work patterns, unrealistic goals, objectives or deadlines, which can all be detrimental to a team member's sales performance.

Here are some examples of other workplace stressors.

Too many projects

This is overcommitting or scheduling projects back to back, without making concession for delays or issues that may arise or hinder your sales progress.

Lack of time

A lack of time-management skills or the absence of work routines and schedules can make the completion of even basic work tasks overwhelming.

Lack of skills or knowledge

Insufficient skills, knowledge or experience to perform in a particular role, or a lack of training, resources or professional development opportunities can restrict a team member from developing.
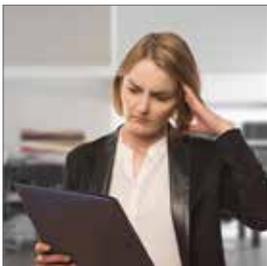
Uncertainty

Ambiguous job roles or excessive work responsibilities and duties can be cumbersome, especially for a new employee,

Lack of support

An actual or perceived lack of an adequate support system such as encouragement, coaching, mentoring or human resources provided to work colleagues can lead to stress and cause people to feel isolated in the workplace.

Poor workplace relationships

The absence of positive working relationships may lead to conflict or unacceptable workplace behaviour. Disunity among team members may cause a breakdown in communication processes.

Lack of control

Too much or too little control over how the individual performs their role or undertakes specific tasks can make a team member feel vulnerable or ill-equipped to perform their role effectively.

Organisational change

Organisational change that has not been managed or communicated effectively to team members can make them feel vulnerable or unsure about the security of their jobs.

Anxiety

Worrying about potential problems, thinking irrational thoughts or having inadequate risk management processes in place could cause a team member anxiety.

Harassment or discrimination

The presence of harassment of discrimination in the workplace can be traumatic for team members and breach an organisation's legal obligation to provide a workplace free from such activity.

Signs of stress in the workplace

People display certain emotions and behaviours that indicate when stress is being experienced in the workplace. While such emotions or behaviours could be symptomatic of other conditions, you should be aware of and recognise any physical, mental, mood or behavioural changes that suggest excessive workplace pressures.

In addition to observing individual signs, look for indications of team behaviours that suggest people are stressed. For example, increase in staff turnover, complaints, absence or reports of stress, poor performance, customer dissatisfaction, disputes within the team, and unresolved personal conflicts between team members or difficulty in attracting new staff.

Here are some other signs of stress in the workplace.

Physical signs	**Emotional signs**
Physical signs may include:	Emotional signs may include:
• anxiety or depression	• negative thoughts
• insomnia	• disappointment in self
• fatigue	• heightened emotional reactions and increased sensitivity
• high blood pressure	• loneliness
• skin conditions	• loss of motivation
• weight gain	• lack of self-confidence
• nausea	• mood swings.
• stomach ulcers	
• increased susceptibility to infections or viruses.	

Mental signs	**Behavioural signs**
Mental signs may include:	Behavioural signs may include:
• confusion	• changes in diet
• lack of concentration	• increased smoking or drinking of alcohol
• poor memory	• consumption of stress-related medication
• indecision.	• nervous behaviour
	• arriving late to work
	• taking more time off.

Manage workplace stress

Sales managers must act as positive role models, particularly during times of high stress. The ability to remain calm in stressful situations makes it easier for team members to remain calm too.

If you are concerned that aspects of your job role or your team's responsibilities are contributing to stress levels, you should take prompt action to alleviate it, such as speaking to senior management, seeking expert advice, consulting your human resources department, or brainstorming ways to reduce stress as a team.

It is up to you as a team leader to identify ways to manage and reduce workplace stress to ensure the physical and emotional well-being of yourself and of your work colleagues

Reduce personal workplace stress

The more you are able to manage your own stress, the more you will positively impact the people in your team.

It is important that you don't overcommit yourself and take on too many tasks. It is better to delegate responsibilities to team members where appropriate and share the load.

Strategies to manage your own workplace stress
• Learn better communication skills.
• Improve your relationships with work colleagues and senior management.
• Identify negative attitudes or habits that add to the stress you experience.
• Take steps to improve your physical wellbeing, including adequate sleep, a healthy diet and aerobic exercise.
• Adopt better time management skills, prioritise tasks and follow work schedules.
• Be open and willing to compromise the way you approach tasks.

Reduce team workplace stress

A key responsibility of a team leader is to manage their team. If you see any signs that someone is experiencing stress, observe them carefully and then take them aside and discuss your observations in a friendly and positive manner. Being acknowledged and supported, and showing team members that they are valued, can have a positive effect. You may need to support team members through coaching, mentoring or training or provide opportunities for career development.

Strategies to reduce workplace stress:

- Establish a zero-tolerance policy for harassment or discrimination.
- Clearly define job roles and responsibilities.
- Share information with work colleagues to reduce uncertainty.
- Clearly communicate organisational policies and procedures.
- Praise good work performance, verbally and officially, and offer rewards and incentives.
- Include employee contributions in decision-making.
- Consult team members about scheduling and work tasks.
- Provide opportunities for social interaction.

Seek expert advice

If you identify symptoms of stress in the workplace or amongst your team members that you cannot manage yourself, you should seek expert assistance immediately. Maintain a current list of professionals who can provide this support, including their contact details and field of expertise.

Expert assistance may include:

- your doctor
- a counsellor, psychologist or psychiatrist
- your supervisor or manager
- human resources manager at your workplace
- WorkCover Advisory Service.

Example: manage workplace stress

Ahmed has just been promoted to senior sales representative at an information technology retail and support company. Ahmed is responsible for working the store floor, approaching potential customers, answering questions about computer quality, availability and price, processing purchases and dealing with complaints and problems people are having.

Ahmed is always busy and often spends the entire working day on his feet, walking around the store, visiting the warehouse to check stock, and speaking with customers. When he first started with the company, Ahmed was excited, eager and motivated to work hard. However, over the last six months he has begun to tire from the sheer exhaustion of working six days a week, including a late night shift on Thursdays.

The store manager, Izaac, identifies physical and mental signs of stress in Ahmed, as Ahmed begins to take less pride in his appearance, stops taking lunch breaks, and has a vacant expression on his face when interacting with clients. Izaac takes Ahmed aside to discuss the situation. Ahmed admits that he is suffering from panic attacks and dreads coming to work each day. With Ahmed's agreement, Izaac immediately reduces his working schedule to four days per week and takes him off the late-night roster. Izaac takes his duty of care to employees seriously and offers to pay for Ahmed to see a counsellor to help him manage his stress.

After four weeks, Ahmed appears to be doing much better. Ahmed and Izaac agree that Ahmed should return to working five days per week with no late shifts included. Izaac carefully monitors Ahmed's workplace behaviours so that he can quickly identify early signs of workplace stress. After another month, Ahmed's sales performance, physical appearance and mental cognition have all improved dramatically.

Practice task 15

Describe how you might respond to the following stressful workplace situations.

1. Your work schedule is so demanding that you never take a lunch break.

2. You are managing two prospecting strategies simultaneously and the strategy meetings are consistently clashing with one another.

3. You feel as though you lack the sales skills and knowledge required to perform effectively in your role.

4. Whenever you are asked to make a sales presentation, you become nervous and anxious.

Summary

1. The key to planning and managing your workload effectively is being able to establish routines and time for specific work tasks and unanticipated events.

2. Planning your workload in advance allows you to stay on top of things and make changes as necessary.

3. Manage your workload by creating daily, weekly or monthly schedules and routines that provide a structure for your work activities.

4. Individual work plans allow you to keep track of your sales goals and progress by delineating what you intend to do, how you intend to do it, and by what date you intend to have it done.

5. Select and apply time-management strategies that are appropriate to your job role, to minimise non-productive sales activities and allow you to meet your daily objectives.

6. Organising, analysing and delegating workloads maximises productivity and ensures you have time to spend on tasks that require your expertise.

7. It is essential that you identify and monitor symptoms of stress in the workplace and seek expert assistance to manage it effectively.

Learning checkpoint 5
Organise your workload effectively

This learning checkpoint allows you to review your skills and knowledge in organising your workload effectively.

Part A

1. Describe two key principles associated with self-management.

2. Describe how work plans can be used to organise and manage individual workloads effectively.

3. Describe three benefits of applying time-management strategies in the workplace.

4. Explain the value of delegation.

5. Explain why it is important to identify and monitor symptoms of stress in the workplace.

6. Describe one strategy for reducing personal workplace stress, and one strategy for reducing team workplace stress.

Part B

Read the case study, then answer the questions that follow.

Case study

Roderick is a sales representative at Pens and Pencils Pty Ltd, a company selling bulk stationery items and office equipment to corporate clients. As well as managing 10 separate corporate accounts, Roderick is also responsible for conducting market research via telemarketing and cold canvassing techniques to find new corporate clients for the company.

Roderick is becoming overwhelmed with the demands of his role. He cannot find enough hours in the day to complete all of his sales and prospecting activities, let alone maintaining contact and taking new orders from his corporate account holders.

At his performance review, Roderick discusses his workload concerns with his manager, Anita. Together they develop an individual work plan that sets out short-, medium- and long-term goals relating to Roderick sales productivity, as his personal and professional development.

As a result of the performance review, Anita has identified a need for Roderick to organise his workload more effectively. She asks Roderick to plan his workload and schedule his sales activities in a way that will make him a more productive and efficient sales team member.

1. Describe how Roderick could establish work schedules and routines that would enable him to organise and manage his workload more effectively.

2. Describe a way in which Roderick could analyse the time he spends on productive work-related activities and the time he spends on non-essential tasks.

3. Identify and describe three time-management strategies Roderick could apply to manage his workload more effectively.

4. Explain which one of his work tasks Roderick could delegate to another sales team member.

5. Describe why Roderick should delegate the task you identified in question 4.

6. Describe how he could identify the most appropriate team member to delegate to.

7. List at least five actions Roderick should take when delegating the task.