

## Odds Are

Over the last several months, I made my first, second and third-ever sports wagers in casinos in Las Vegas. I bet on the Boston Red Sox to win a World Series baseball game, the Boston Celtics to win an NBA basketball game, and the New England Patriots to win the Super Bowl of American football. If you see a pattern in those bets, it is true, I was born in New England, just north of Boston, and I still support my local teams. But that is not the most interesting thing about my sports betting. Against all odds, I won all three bets!

### Time Is Money

Can you say the same thing about the bets you have made recently? Oh, by the way, I am not talking about sports wagers anymore. I am talking about the way you have been using your time and other resources.

It is often said that time is money. That means you can do all of the things with time that you can with money. You can spend it, invest it, save it or waste it. You can also gamble with it. A “good” gamble falls into the category of investment. A “bad” gamble falls into the category of waste. Your ultimate goal, therefore, is to make more good decisions than bad on how you wager/invest your time.

### Likelihood Of Success

The gambling industry, which includes everything from sports wagering to casino games to The Lott, is based on the “odds.” Strictly defined, odds are “the ratio of the probability of one event to that of an alternative event.” In sales terms, one event is winning the order, the alternate event is not winning it.

That may be too limiting, though. We should also consider the broader issue of prospecting and new customer development. Much of the work a salesperson does in the prospecting stage is not tied directly to an order. It is more about gaining “lesser” commitments, first to engage and then to meet and then to be taken seriously. Either way, it is possible – and desirable! – to consider the odds of success at every step along the way.

Here is an example. You have been calling on a prospect and you are starting to feel pretty good about your likelihood of success. That may be 50-50, or even 60-40. In gambling terms, those would be expressed as “even money” or 3-2 odds. In both cases, those odds would support *continuing* to pursue those prospects. But what if you are not feeling so positive? What if you gauge your chances at 10%, or 9-1 against?

The primary question is this: Should you continue to pursue a “longshot” or use that time to seek out better prospects?

Your answer should be influenced by a secondary question: What is the volume and value potential of this longshot?

The gambling industry uses the term “whale” to describe a big bettor, one who has the potential to lose a lot of money and therefore benefit the “house.” In printing sales, I think it is good strategy to have a few whales in your prospecting mix, even though the odds may be long. In gambling 9-1 against means that you only have to bet 10 to win 90. To me, that suggests spending no more than 10% of your prospecting time on “qualified” longshots.

### Pipeline Considerations

Another application of Probability Theory to printing sales is in the way many calculate their “sales in progress” pipeline. I have a client who operates on the belief that he’ll win 21% of what he quotes. His strategy for this year is based on finding approximately \$3,600,000 to quote on to reach a sales goal of \$750,000. I have never fully understood where the 21% figure comes from, because he does not actually track his success ratio. (That is one of the things we are working on!)

I have also suggested that he take a different approach. For each project he quotes, I have asked him to set individual odds. So therefore, if he quotes a \$10,000 project and feels that he has an “even money” situation, he can count that as \$5000 in his pipeline. If he were 90% sure, he could count it as \$9000.

All of this is another application of something else that is often said: You can’t win ‘em all.

But, if you make better bets, you have much better odds of being a winner overall.