

How Do I Choose The Best Prospects?

In last month's column, I wrote about identifying the best prospects for a quick/digital/small commercial's printer's marketing efforts. That was mostly a discussion of direct mail issues, such as developing a mailing list, the importance of titles, and the critical relationship between "the list" and "the offer" in direct mail success.

There's a lot more to marketing a printing company than just sending out direct mail, though, so this month, I thought I'd write about identifying prospects for the "direct sales" side of the marketing equation. Or as one printer put it, "How do I choose the best prospects for my 'selling owner' efforts?"

Four Kinds Of People

First of all, let's establish that there are four kinds of people out there on the other side of the printing sales equation: suspects, prospects, customers and maximized customers. The way this works is that they are suspects when you think they might be prospects, they're only prospects when you *know* that they are prospects (more on that follows), they're only customers when they actually start buying from you, and they're only maximized customers when you're getting the lion's share of their business. The ultimate objective of the selling game, obviously, is to create maximized customers.

Here's what it means to *know* that they are prospects. First of all, you know—not just think!—that they buy exactly the kind of printing/copying you want to sell. Second, you know—again, not just think!—that they buy enough of it to make them worth the time and effort it will take to turn them into customers and then to maintain the relationship. And third, you know—not just hope!—that they have some interest in buying from you! Knowing—and not just thinking or hoping!—represents the pinnacle of the art of selling.

OK, what this all means so far is that you can't start out the process by "choosing" prospects. Granted, you can make reasonably safe assumptions on whether a company does buy the kind of printing you sell, and whether they buy enough to make the pursuit worthwhile, but you have no idea at this point if they'll have any interest in buying from you. And ultimately, that's the most important of the three qualifying factors.

Remember, everyone who buys a substantial amount of printing already has a printer—at least one!—and some level of satisfaction with that printer. If their level of satisfaction is high, you are unlikely to displace the printer they're buying from. On the other hand, if their level of satisfaction is low, you're much more likely to find some real interest in making a change and buying from you.

Initial Strategy

If I were looking to build some new business from scratch, I would start by putting together a list of suspects—companies that look like they meet my first two qualifying criteria—and then I'd take a closer look at each of those companies to confirm my assumptions about #1 and #2 and start getting a handle on the all-important #3.

As a first step, I'd drive over to the company's building and talk to the receptionist, or whoever else I found in a "gatekeeper" role, to see if I could find out (1) who within the company buys the kind of printing I sell, (2) his/her title, (3) who he/she currently buys from, and (4) anything else that the gatekeeper might be able to tell me that might help me to make a qualifying decision. Please note that I always ask for the title, because as I wrote last month, that helps me to confirm that the name I'm given is really the person I want to talk to.

Once I had all of this information, if I felt that the suspect was worth taking the next step with, I'd send a "pre-approach" letter, or possibly a series of letters. The purpose of the letter(s) is to warm up the eventual phone call, and the purpose of that phone call is to ask for an appointment for a face-to-face conversation. The purpose of the face-to-face conversation is to learn enough about the suspect to make a qualifying decision; again, to confirm my assumptions about Qualifying Criteria #1 and #2 and start getting a handle on the all-important #3.

A Step Back

Let's take a step back here, to the initial planning stage of your selling/marketing efforts. At that early stage, I would ask you to set a volume objective for some period of time, and for the sake of discussion, let's say that's \$50,000 of new business over the next 12 months. Next, I'd ask you for a projection on how many new customers it's likely to take to add up that \$50,000 of new business.

Let's say that we come up with a projection of 10. (Obviously, we'd need to be targeting large suspects to support that projection, but if you set the "enough to make pursuit worthwhile" criteria at \$5000—and have a few even larger suspects in the mix—that number becomes pretty reasonable.)

OK, here's the question this is leading up to...if you're looking to gain 10 new customers, how many prospects do you need to be working on? I'll bet your initial thought was at least in the hundreds, and if so, you're going to be surprised by my answer, which is that 25 should be more than enough.

Remember, though, we're talking about 25 fully qualified prospects, which means that you *know* they buy the kind of printing you sell, you *know* they buy enough of it to qualify, and they're showing some *real interest* in buying from you. You may need to evaluate several hundred suspects to come up with 25 real prospects, but that's how the game is played. Stage 1 of the process is to identify and evaluate suspects—to qualify or disqualify them—and Stage 2 is to work those prospects who do qualify.

That's especially important, by the way, when we're talking about the owner doing the selling, because it's not like you have 8 hours every day to wear the sales hat, right? One of the keys to success is to spend the smaller portion of your time qualifying prospects—say 30% of your selling time—and the larger portion following up and building relationships with people who have real potential.

Bigger Fish?

The point at which you set the “enough to make pursuit worthwhile” criteria is important here. With rookie salespeople, I usually set the lower limit at \$1000 per year, which means that canvassing an area and looking at just about every business in it is a reasonable strategy. At the \$5000 or higher level, though—which I would suggest as an absolute minimum for a selling owner—I wouldn't have you walking in to every business in your area. At this level, we have to establish some more specific targeting standards.

I did some work a few years back with a company called City Print Services, who offered mailing lists of qualified printing prospects. Their targeting standards were based on what they called the FIVE Method: evaluating Frequency potential, Image factor, Volume potential and Employee count. They targeted companies or organizations which maintain frequent contact with their own customers or members, and therefore have constant printing needs, and also companies or organizations which maintain a high regard for appearance, and therefore place a great deal of emphasis on quality. In addition, they looked for larger companies, in terms of both sales volume and employee count, but they understood that sheer size in terms of volume or employee count is not always a qualifying factor. They evaluated each high volume/high employee count company in an area to make sure that they purchased printing locally. Branch offices of large companies and manufacturing-only plants were often left off the list as a result of their research.

As I wrote last month, I would add the following considerations to your targeting process: Product Factor and Market Factor. Product Factor is the measure of how many products a company sells, and Market Factor is the measure of how many people it's trying to sell those products to. (By the way, let's not get hung up here on the difference between “products” and “services.” By my definition, the “product” is whatever the company or organization gets money in return for. That might be tangible or intangible products, or services ranging from physically coming out and killing the weeds in your lawn to providing you with information that can help you to make more money with a printing business.)

Every business entity has something to sell, and the more products it sells, the more printing it's likely to need. Therefore, a high Product Factor is a very positive targeting indication. (One caveat here, a company or organization which “resells” someone else's products might have less need for printing. For example, a furniture store I was in yesterday had hundreds of brochures, data sheets and other printed pieces around, describing the products they sell. All of those pieces, though, originated with the companies that actually manufactured the furniture.)

Market Factor is usually a different story for a quick/digital/small commercial printer. A high Market Factor would seem to be a good thing, but it usually isn't. Why? Because as we discussed last month, a high Market Factor usually translates into long-run printing, probably better suited to your large-press commercial cousins.

Bottom Line

I think the bottom line on this whole issue about who to target for your direct sales efforts is that your most likely suspects are companies/organizations with a high Product Factor, a low Market Factor and a high Image Factor. That indicates the potential for a lot of printing in the right quantity ranges for your equipment, and with concerns for quality and service which should indicate a value orientation rather than a price shopper.

This isn't a foolproof method, of course, but remember, what we're targeting here is suspects. They're not prospects until you *know* that they buy exactly the kind of printing/copying you sell, that they buy enough of it to make them worth your time and effort, and that they have some interest in buying from you.

Not every suspect will qualify as a prospect, but I'm very confident in telling you that if you look at enough suspects, you'll find enough prospects to develop enough new customers to reach the sales numbers—and the profit numbers!—you're ultimately targeting.