CATALYSTS FOR GROWTH™

Catalysts for Growth – Discover Surprising Possibilities

The Advocate Cultivate and Nurture Plan

5 Proven Practices to Shorten Your Sales Cycle

SUSAN G. TRIVERS, MBA

HOW TO DISCOVER SURPRISING *Possibilities*

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Attitudes are Drivers of Opportunity

The extent of possibility for every idea, option or project is colored by your attitudes about money, failure and risk.

Let's say that you think of a new service offering for your Regular buyers. Regulars are buyers who like your company and buy the same product or service again and again. Your new offering is related horizontally or vertically to their current favorite.

When your CFO or CPA does a pro forma P&L on this new offering, you'll have numbers that tell you likely revenue, direct and indirect costs, and profit.
Three people with different attitudes about money, failure and success can look at that pro forma P&L and see different possibilities.

That's because their thinking about the pro forma P&L is colored by or filtered through their attitudes about money, failure and risk.

Going Beyond What Seems Possible means you understand your attitudes and how they impact your assessment of new opportunities.

Try this exercise.

Rate your attitudes about money, failure and risk on a continuum of 1-10.

Money

1) I believe I should have just enough to cover my modest living expenses
10) I believe I should have as much as I can make consistent with honesty, integrity and value to

1.....10

Failure

1) Failure is not an option
10) Failure represents a lot of hard work, creativity, and optimism. It's what makes me excited for the next effort.

1.....10

Risk

1) I have no tolerance for risk
10) I actively seek risk in order to have the chance to enjoy a big return.

1.....10

Understanding Your Numbers

One way to understand your attitudes is to add up your numbers. The top score is 30, the bottom score is 3. Where do you fall? This is too simple and tends to obscure important details.

To get a deeper understanding, look at each number separately and see where you lean on each. The one closer to the either end of the spectrum will likely exert more influence. If you are a 9 on failure-failure helps me learn many useful lessons—and a 4 on money—I like it but it doesn't drive me—you will look at opportunities more from the failure perspective than the money perspective. If you have a high money attitude-I want as much as possible consistent with my values, you may be at the low end on the risk tolerance continuum, because too much risk puts your money at risk.

Once you understand your attitude framework, you will see possibilities where you didn't see them before.

You will see opportunities for developing new products for repeat buyers because now you're looking for low risk, low failure, good money options. You will see opportunities for new offerings to a new market if you realize that you embrace failure and risk.
The next step is to decide which opportunities you should pursue, given that not all are equal and you don't have unlimited time and resources. Use this matrix to help decide.

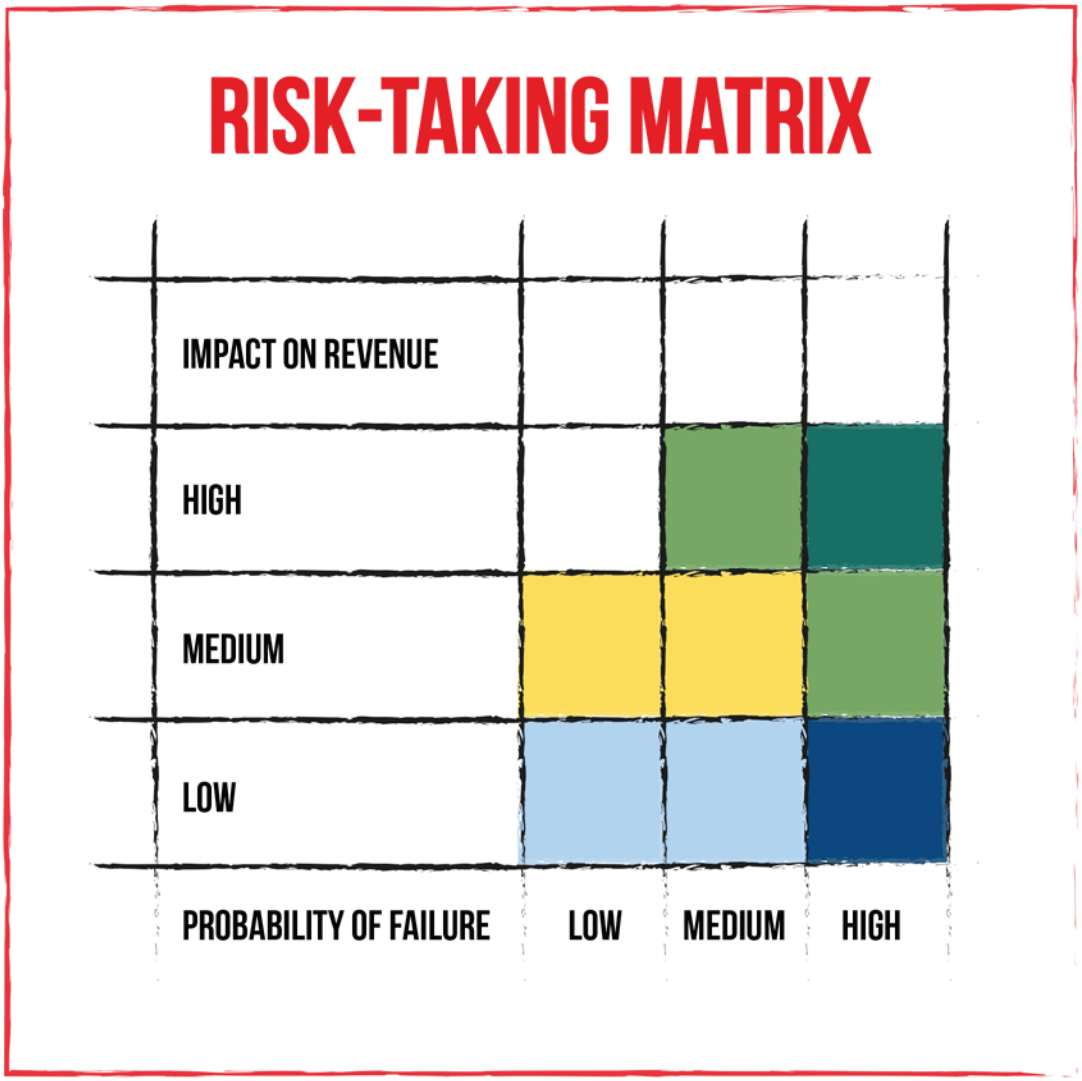
Why A Risk-Taking Matrix?

I think that the riskiness of any option is the deciding factor. Once you know the risk/return tradeoff, your attitudes about failure and money will kick in to confirm the choice or push you in another direction.

Using your pro forma P&L, calculate the profit in relation to the investment. If you have to spend $10,000 to get $10,000 in profit, your return to investment ratio is 1:1. For most businesses in most cases, this would not be a good investment at all. If your $10,000 investment returns $100,000 in profit you now have a ratio of 9:1*, which is significantly better. You have to decide what ratio of investment to return you want to achieve.

The risk assessment comes into play the higher the ratio of the return to the investment. Economists and investors (including business owners) understand that higher risk is associated with greater probability of higher return and lower risk with a greater probability of smaller return. This trade off which an investor faces between risk and return while considering investment decisions is called the risk return trade off.

Risk Analysis of Multiple Options



Once you have estimated the return to investment ratio of your possibilities, place the projects in the matrix. The option with the highest return to investment ratio would go in the upper right corner. The top right green block reflects the highest risk and the greatest potential impact. These are the most desirable for dramatic revenue impact.

The lighter green boxes represent less risk and less return while still adding nicely to the company's bottom line. The projects that fall in the yellow boxes are relatively neutral. Not a lot of risk, not much return. You would have to ask whether they are worthwhile at all. The projects that fall in the blue boxes are not worth any effort. What seems possible now that you've identified where your attitudes fall on the spectrum and how they color your view of possibilities?

Take one hour to jot down ten new options: new products or services, new target market, new marketing plan to current buyers, segmenting your buyers and aligning them with your offerings, new pricing practices, and something brand new and big.

Do a rough calculation of your investment and return for each. .Just make a wild guess if you have to. You're just beginning to flex your Discovering Your Possibilities muscle. Place them on the matrix and see what lands where.

Pick the top three and commit to further exploration: talk to your CFO or CPA and as k or a pro forma P&L. Then analyze the three with real numbers. Place them on matrix again. Now you are ready to choose one and begin!

$$\frac{\textbf{*\$100,000 return-\$10,000 investment}}{\$10,000 \text{ investment}} = 900\% \text{ or } 9:1$$

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The Advocate

CULTIVATE

AND NURTURE PLAN

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Seeking Referrals from Advocates and Professionals?
Give Them Good Reasons to Refer You to Their Clients

How often have you thought that bankers, financial advisers, CPAs, business lawyers and others would be great referral sources? Their clients are just the kind of people you'd like to meet. You could help them so much, so hey, it's a win-win-win!

Then you ask and get the cold shoulder.

Why is that? Because these professionals know that their clients count on their discretion and confidentiality above all. They will think long and hard before ever introducing someone to them. If you are one of the people seeking those introductions, you have to earn them.
Earning these referrals requires a long-term commitment to cultivating and nurturing. My approach Cultivate & Nurture your firm advocates is the tool you need to unlock the door to introductions to the clients of these professionals.

Advocates and Professionals Cultivate & Nurture plan

Be clear about your purpose: helping these advocates and professionals feel comfortable about you. It's at least a 12 month process.

ACTIVITY	DATES	PERSON RESPONSIBLE	DATE COMPLETED
Face-to-face gatherings Invite only bankers, financial advisors and other professionals who know the people you'd like to meet. Have refreshments and an interesting person speak for 15 minutes max. Follow up with thanks.	2X per year	?	
IP that's relevant to them, written by experts in the field Book, clipping or reprint of an article or study. Written by an expert in their field. Send with a note "I thought of you when I read this."	2X per year	?	
IP written by you Your own article or whitepaper. Illustrate your thinking as it relates to the work they do with their clients.	2X per year	?	

5 PROVEN PRACTICES TO SHORTEN YOUR *Sales Cycle*

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5 Proven Practices to Shorten Your Sales Cycle

The sales cycle begins when a company receives an inquiry from a buyer and it ends when that buyer makes a payment. The goal is shortening the time between the initial inquiry and the payment. The sooner a sale is made, the sooner the buyer begins to enjoy their purchase and the sooner the seller has the payment on their books. Additionally, once the new sale is complete, both buyer and seller can turn their attention to the next sale. The cycle continues generating value for the buyer and revenue for the seller.

Remember: *current buyers* are the biggest source of new revenue. These proven practices help your company leverage your relationships with and knowledge of your current buyers.

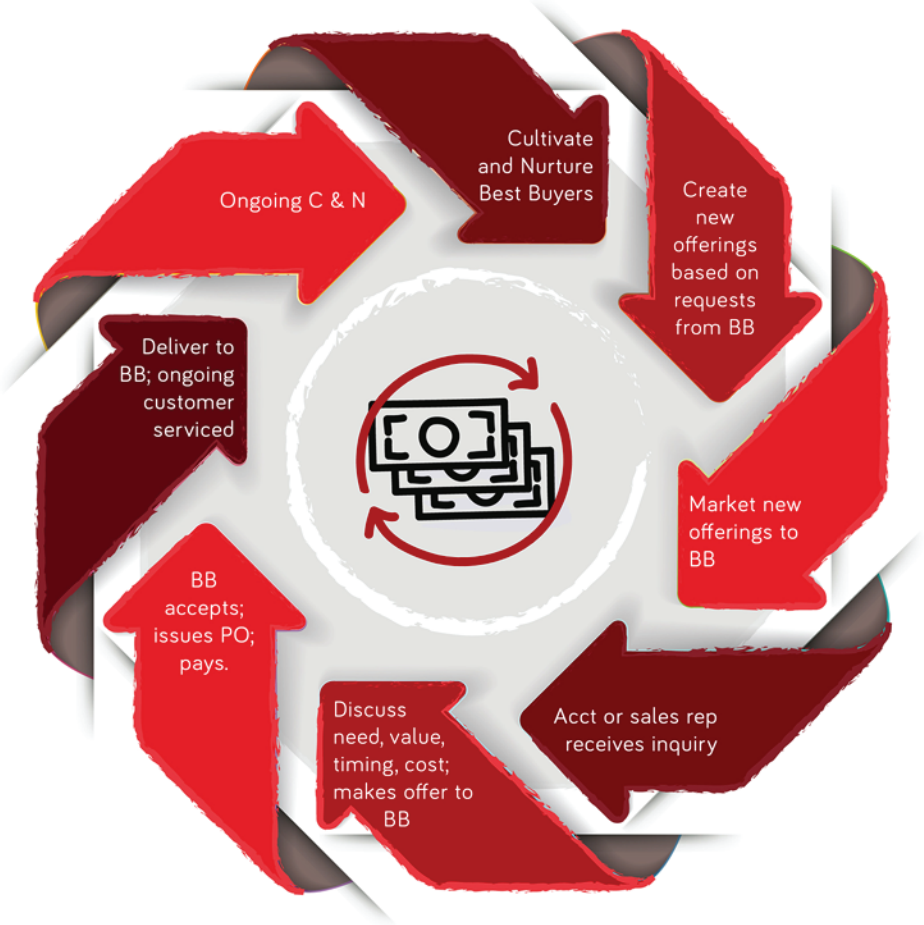
Practice One:
Customize your sales process for your current buyers.

Search for 'sales cycle definition' and you'll get more than 3 million hits. The vast majority assumes a big, fat zero: you have zero knowledge of the buyer and the buyer has zero knowledge of your company. They are usseless for maximizing sales cycle speed with current buyers.

The unique Singular Focus approach to Maximizing Sales Cycle Speed is incorporated in the following sales cycles. I designed one for Best Buyers and another one, similar but with a few key differences, for Enthusiastic Fans and Regulars. I've left Testers out of this because they typically prefer to buy-and-go. If they become repeat buyers, you can move them into the Regular segment.

Sales Cycle for
Regulars and Enthusiastic Fans

Sales Cycle for
BEST BUYERS



Practice Two:
Think of the sales cycle as the ultimate opportunity to customize offerings.

A key to revenue growth is to always be improving or innovating your current offerings and creating new ones. Whereas old-school sales funnels tell you to qualify prospects in terms of your existing offerings, with current buyers it makes sense to find out more about what they want and need and then figure out how to give that to them in new high value/high profit ways. These Singular Focus sales cycles let them know immediately about everything new and improved.

Practice Three:
Communicate effectively. Communication has multiple facets: an appreciation message, the "why stay" message; and timeliness.

Creating a schedule of appreciation messages is a simple and highly effective way to Maximize Sales Cycle Speed. These messages say "thank you for being our buyer" and you should send them 3-4 times per year.

I strongly advise to NOT send these notes of appreciation at Thanksgiving or year end. Everyone does that and it tells your buyers you're following the crowd. The way to Maximize Sales Cycle Speed is to stand out from the crowd, to be one of a kind, and to demonstrate that you are really are thinking of your buyers every day.

The "Why stay" Message

Research into retention efforts proves that pure retention communications, called "Status quo reinforcement" increases intention to renew (+13%), boosts positive attitudes (+9%) and lifts credibility (+7%).

Each of these outcomes maximizes sales cycle speed. When intention to renew is strong, it is easy to finalize the renewal or sale and get payment quickly; the buyer is just waiting for you to ask. With positive attitudes about your company and the value the buyer has enjoyed, a repeat purchase or a new sale can conclude in short order. When the buyer finds you highly credible, your new offerings are easy to sell.

Timeliness

Another aspect of communication is the handoff between marketing and sales. When you're marketing intensively to current buyers, with "Why stay" messages tailored to their needs and perspectives, your buyers will respond with inquiries. It's imperative that a sales or account rep quickly communicates with the buyer to conclude the purchase. A buyer who is left wondering when they'll hear from you is going to take longer to buy. The sooner the buyer has use of their purchase the more value it has to them. Don't be the cause of any delay!

Practice Four:
Ensure your internal processes and requirements don't drag things out.

(Don't let them get driven by lawyers and people who only want to CYA)

So often we're quick to blame the buyer when a sale drags out. I've seen far too many sellers create log-jams that hinder speed. This often happens because the sales process is designed by, or at least approved by, lawyers and other risk averse individuals. For the sake of your long term relationships and your revenue, do not let risk aversion overcome your good speedy business sense.

Practice Five: Know your buyers' buying process to preempt delays wherever possible

There are times when the buyer's company has a buying process that decreases speed. Since we're always focused on current buyers, your account team or sales rep should be very familiar with the buyer's process and the parts that cause it to slow down.

Some common sources of delay include:

- Multiple layers of approval by people who don't know or care about the actual buyer's needs.
- Company preference for competitive bids
- Strong anti-spend mentality: "We should get by with what we've got."
- Strong cost-reduction mindset: "The less we spend, the bigger our bottom line," regardless of how the company's own operations are hindered by not spending.
- Risk aversion and legal scrutiny in the buyer's company.
- A culture that values deliberation over speed.

During the course of your cultivating, nurturing and retention marketing, you should have conversations with your buyers about their company's buying process. You can help Maximize Sales Cycle Speed a lot by getting to know the people at the various levels. Sometimes one of them is a purchasing clerk who just looks for the correct administrative details and has no sense of the relative importance of one purchase compared to another. Sometimes it's a busy senior manager who has lots of people asking for approval. Ask your buyer what is of particular interest to this manager and figure out how to position yourself as someone who will help.

Speeding up the sales cycle is good for your buyers and good for your company. Get on and stay on top of it.

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