

Targeted Business Development

By Bruce Bolger

This new business-to-business sales and marketing process turns the technology of sales force automation into a powerful target marketing tool that can measurably increase your sales for much less than the cost of traditional marketing.

Overview

Even the most targeted advertising and direct marketing strategies force companies to pay for reaching many people who will never buy their product or service. While such traditional strategies are effective at building brand image over time, they generally do not produce serious sales leads on a cost-effective basis. By analysing your customer profile and determining the types of companies and decision makers most likely to buy, your company can dramatically improve the process of identifying and garnering new customers. The task is within the capability of any company today, thanks to off-the-shelf contact-management software, such as ACT or Filemaker Pro.

Background

Executives these days have little time and tend to focus almost exclusively on their most pressing challenges and needs. To reach them efficiently, marketers have to identify not only the most likely prospects but the time period during which they are most likely to buy. Companies traditionally have relied on the sales force to find new prospects, but most salespeople end up spending little time prospecting for new customers. They favour servicing current accounts or going after only the most likely new prospects. If companies want to maximise results, they have to find a new way of cost-effectively identifying and contacting prime prospects and determining when they are likely to buy a particular product or service.

The Process of Targeted Business Development

Targeted Business Development (TBD) is based on the principle that there is a specific number of companies or people who will be interested in your product or service at a given time. The key to successful lead-generation is finding and targeting those people. People in a buying mode are eager to talk to salespeople who have an idea related to their immediate need. At other times of the year, they won't return a telephone call.

Here are the steps to undertake in a TBD program, along with examples of how this strategy was employed by a major travel book publisher that wanted to get leading U.S. companies to advertise in its guide books:

1. Set a goal for the number of new prospects you want to go after. A good place for most companies to start is 500 names.
2. Identify the types of companies most likely to buy your product or service, as well as the decision makers. Look at your current customer list or talk to salespeople about the types of people they traditionally deal with. There are numerous databases that can help you find prospects, depending on the types of companies you are targeting.

The travel book publisher identified 120 companies through magazine advertising and business directories that targeted people who travel.

3. Have junior salespeople or even administrative workers call the targeted companies and ask for the names of the decision makers you are looking for, as well as the address and telephone and fax numbers. Enter this information into the sales force automation software. If necessary, explain to prospects that you want to send the decision maker information on a valuable product or service of potential interest. Remember, this is not a job for your top salespeople. They will never make the number of calls necessary to get 500 names into a database.

The travel publisher was content with 260 names of potential decision makers, because it needed to sell only eight advertisers. It entered those names into the ACT contact-management software.

4. Crystallise in your mind the unique benefits that your product or service can provide to the targeted group. Think about how these benefits can best be presented in a letter and during follow-up calls. Bear in mind that follow-up calls often turn up many live prospects who didn't even see the first mailing.

5. Send a one-page letter summarising loads of benefits that relate specifically to the decision maker. The letter should be short and to the point. Above all, it should be personalised (easily accomplished with ACT or other contact-management software). Don't send expensive flyers or

brochures on the first contact, because many people won't see them. Make sure your mailing includes a response vehicle, such as a bounce back card.

The travel publisher faxed out personal letters to all 260 targeted individuals.

6. Shortly after sending out the personal letter, have an experienced salesperson follow up on the telephone. This has to be someone who knows how to ask the right questions and quickly explain the benefits of your company's products or services. Of course, begin by calling the people who mailed in, or faxed back, the response vehicle.

The travel publisher got 13 replies (an impressive 5 percent) on its first mailing. Even more impressive, salespeople got through to an additional 20 percent of the decision makers who said they had seen the letter and were interested.

7. To those who didn't respond to the first mailing and didn't return the phone call, do a second mailing, a personalised letter including some additional information about your product or service. Again, provide a response vehicle and have salespeople follow up with everybody by telephone. Don't assume a lack of interest just because someone didn't respond to the mailing. Many interested people simply won't do anything until they are called.

8. Consider a final follow-up by personal letter, perhaps with a questionnaire inviting the decision maker to enter a sweepstake by providing additional information or signing up to remain on your mailing list.

The travel publisher achieved its first-year goal of grossing \$500,000 in sales. The Targeted Business Development process cost it only \$10,000 in out-of-pocket expenses plus commissions.

9. Develop a means of staying in touch with the potential clients you've identified and even with targeted individuals you couldn't reach (provided you're convinced they're true prospects). Consider developing a newsletter or other information service that gives your audience useful information, not merely a sales pitch. Example: In part, our company publishes Sales Marketing Network to attract new prospects and help current customers.

Advantages of Targeted Business Development

- Low cost. If you use a company like Selling Communications Inc. to develop a database of decision makers that your company should target, the service can cost as little as \$20 a name. You can do it for less on your own, provided you have the right personnel in place. Measurability. By tracking sales activity against the names of the prospects you develop, you can tell exactly how much each contact yields.
- Simplicity. With sales force automation software, it's easy to send personalised letters to hundreds--even thousands--of potential contacts.
- It's foolproof. An ideal approach to today's time-short marketplace, TBD simply automates the process that good salespeople have employed for years: identifying lots of prospects, sending them powerful sales letters, and systematically following up with sales calls.

Factors to Bear in Mind

You have to find junior salespeople or an outside company to get TBD off the ground. Experienced salespeople don't have time to drop everything and contact 500 new people.

TBD won't work if you have a poor product or service. You can have the best database and sales process in the world, but they won't help if no one wants what you're selling.

You must identify the target audience carefully. You can have a great product or service, but it won't sell if you take it to the wrong prospects.

Bruce Bolger, is editor/publisher of Sales Marketing Network, a former editor and publisher of Incentive magazine, and a consultant with nearly 10 years' experience helping companies develop more effective incentive campaigns.