

crunchbase

# **Everything You Need to Know About Sales Prospecting**

# At a Glance



**What Is Sales Prospecting? 03**

.....  
**Who Are Sales Prospectors? 04**

.....  
**Methods for Sales Prospecting 05**

.....  
**Sales Prospecting Techniques Worth Trying 06**

.....  
**Sales Prospecting Tools of the Trade**

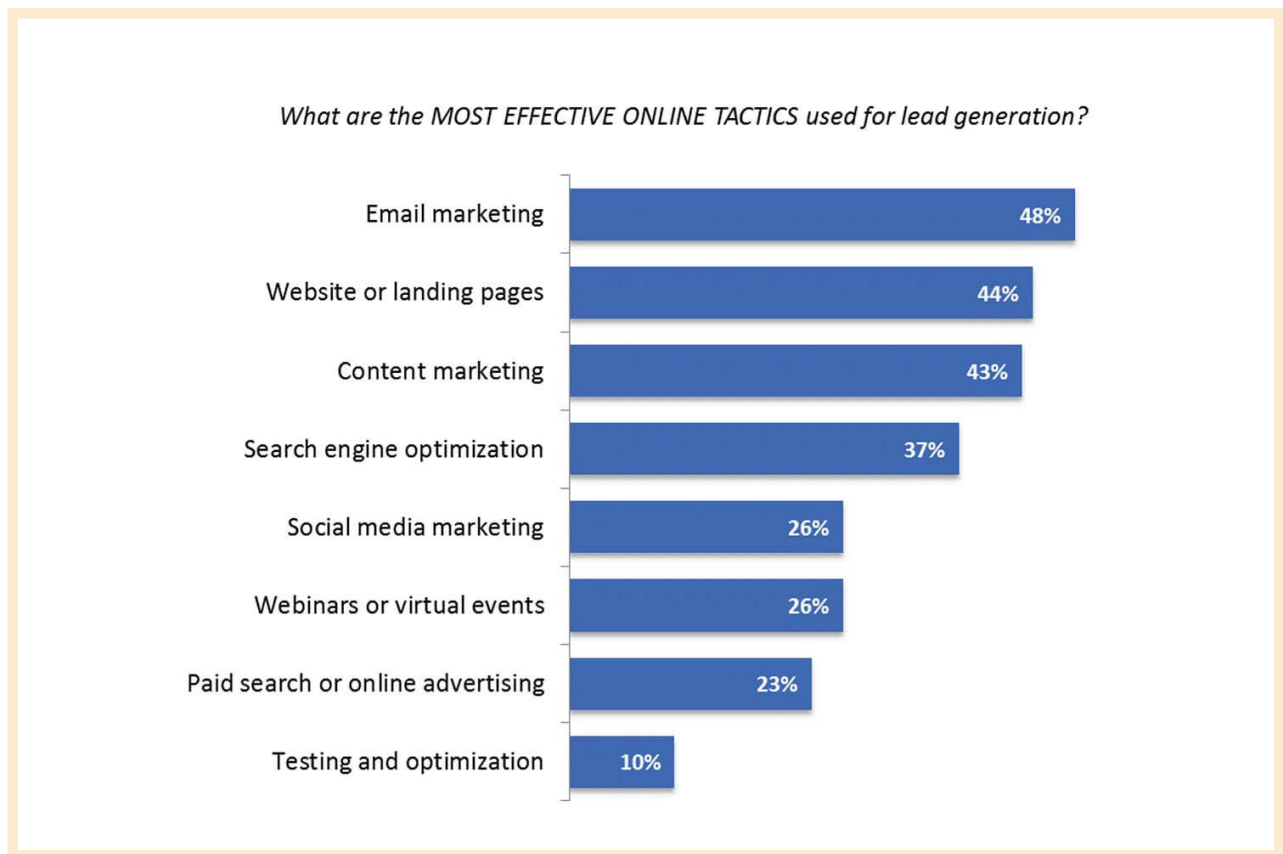
.....  
**A Step-by-Step Approach to Sales Prospecting 09**



# What is sales prospecting and why is it important?

Sales prospecting is the act of researching and pursuing potential customers for your business. While a sales lead is any individual or business that has the potential of becoming a customer, a sales prospect is a lead that meets specific criteria of your Ideal Customer Profile. Many sales reps also refer to prospects as people who have already shown an interest in your product or service.

Sales prospecting is a vital part of your sales strategy because it helps to develop your sales pipeline, which brings you one step closer to closing deals and securing new customers. Sales prospecting is also an important component of your brand identity. How you communicate when prospecting can establish your company as a trusted partner and thought leader in your industry.



## The 7 Stages in Sales Cycle



# Who are sales prospectors?

Typically, the roles on sales teams dedicated to prospecting are Sales Development Representatives (SDRs) and Business Development Representatives (BDRs). Not every company has or needs both of these roles and, in some cases, the titles can be used interchangeably. If a company is distinguishing between the two, then SDRs typically focus on inbound prospecting while BDRs spend their days doing outbound prospecting.

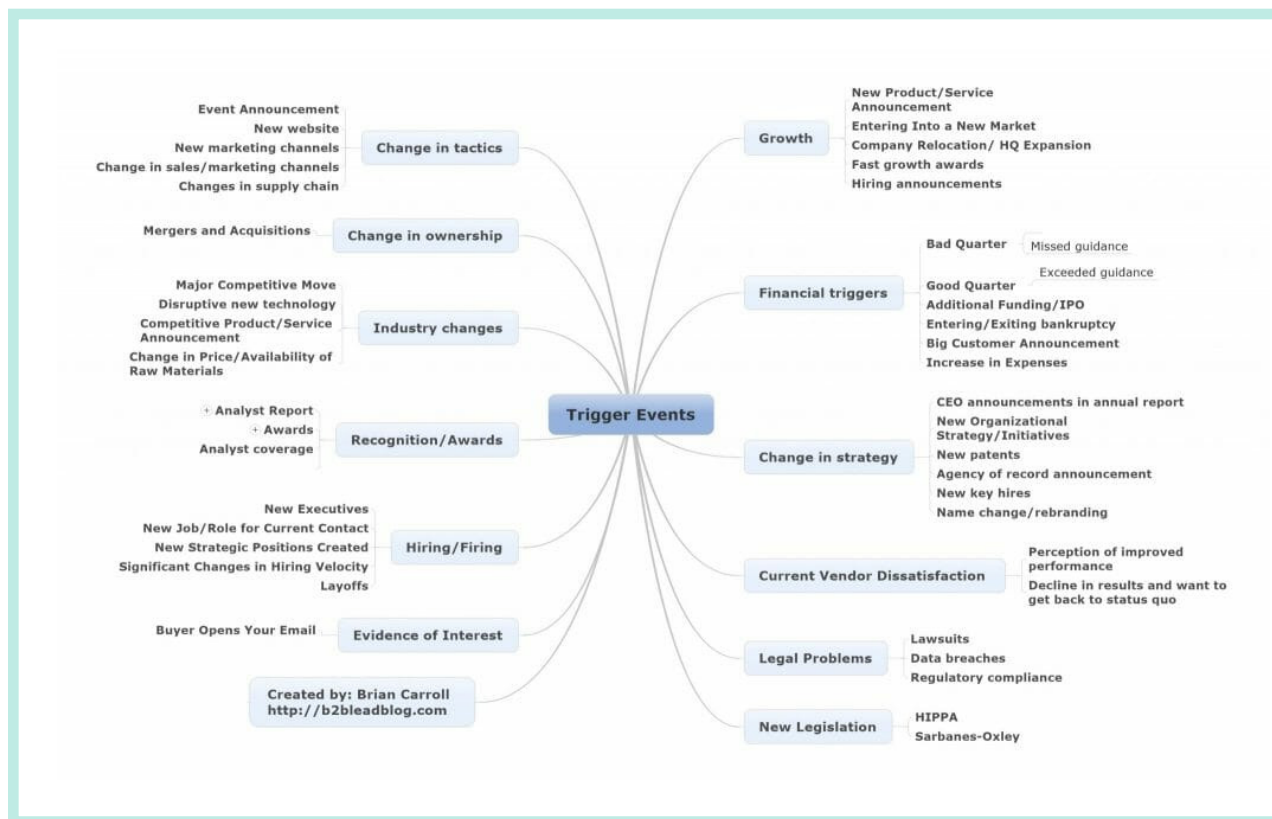
However you choose to structure your team, it's valuable to have a role that's solely focused on prospecting efforts. Because the research and tactics involved in sales prospecting can be time-consuming, having individuals dedicated to doing this work will make your overall sales team more efficient. While prospectors focus on building and refining the sales pipeline, account executives can spend their time closing deals with qualified leads that have moved further down the funnel.

# Methods for Sales Prospecting

So, how can sales reps generate leads and prospects? This can be achieved through two main avenues: outbound and inbound prospecting. Outbound prospecting is when a sales rep pursues customers through strategies such as email marketing, cold calling, SMS, networking, social media, and video. Inbound marketing is when the customer comes to you. Inbound prospecting can be achieved by having a call to action on your website where interested parties can submit their contact information

Inbound and outbound prospecting efforts are most effective when backed by detailed prospect research. There are situations, or trigger events, that make prospects more likely to purchase your product or service at a given time. Some of the key buy signals that can alert a sales team to a prospect primed to make a purchase include new funding rounds, changes in management, discontinued service with a competitor or a pending IPO.

Looking to further optimize your inbound and outbound prospecting efforts? Try account-based sales (ABS), which focuses on quality over quantity. Sales teams prioritize their prospecting efforts by finding specific accounts that would benefit from their product and then devising customized, high-touch prospecting approaches for those target accounts.

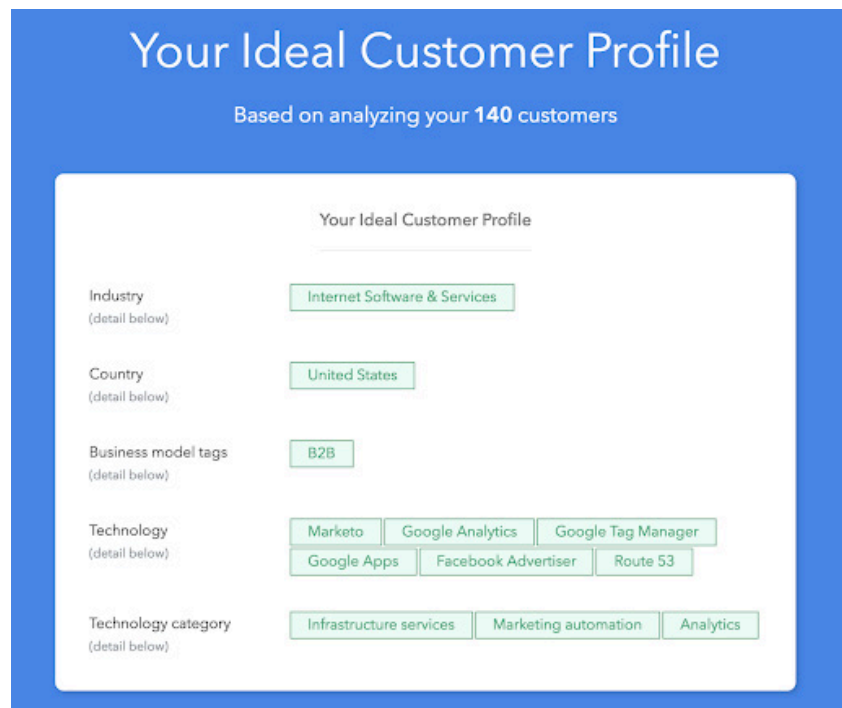


# Sales Prospecting Techniques Worth Trying

## Technique 01

### Establish Ideal Customer Profiles (ICP)

To determine where to focus your prospecting efforts, you must first know what your customers look like. The Ideal Customer Profile (ICP) is the type of company that would benefit that most from your product or solution. The ICP is defined using firmographics, such as technographic data, company size, revenue, industry, and location.



## Technique 02

---

### Create a prospect ranking system

First, it's important to understand the difference between low ranked prospects and unqualified ones. A great sales prospecting tip is that low ranking prospects fall into a bucket that, based on your own historical data, indicates that they are not likely to largely impact your sales funnel.

Unqualified prospects, however, are ones that you know won't do business with you. Characteristics of unqualified prospects can be geography, budget, or industry. From a business development perspective, this information can still be useful in developing new products or services or improving existing ones, but in terms of sales, these records aren't useful.

Once customer profiles have been identified and applied to the customer and prospect records in your database, build your prospecting lists based on the profile that they meet. Depending on the number of factors that are included across all profiles, it may be helpful to set up a ranking system, or a score that will quickly deduce the potential of a prospect.

## Technique 03

---

### Automatically rank new prospects

Once a ranking system is established, you may want to find a lead management solution to prioritize new prospects automatically. Lead management systems, including most CRM (customer relationship management) systems, can do the manual work for you, minimizing wasted time and the potential for human error. Once integrated with other inbound sales mechanisms, utilizing a more automated solution like this can provide a boost to efficiency within your sales cycle.

## Technique 04

### Integrate outbound and inbound prospecting channels

Regardless of what your company offers, prospects are bombarded with sales opportunities. Your company needs to be included in as many of those channels as possible. While older prospecting techniques like cold calling are always available, the yield is low and engaging with prospects in other ways may prove to be more beneficial.

Today, potential prospects are doing their research before buying a solution, so it's important to conduct outbound marketing activities on the channels where said research is taking place, such as social media or blogs. Don't be surprised if your outbound and inbound efforts overlap. While it is important to see outbound and inbound prospecting as their own separate strategies, it's not uncommon for prospects to reach out on the very same channels you are using to get their attention.

See PC Mag's review of the Best Lead Management Software for 2020.

## Technique 05

### Master inbound prospecting best practices

Inbound sales and outbound sales are becoming increasingly blurred. Let's say a sales agent cold calls a warm prospect and leaves a voicemail. That prospect may hear the voicemail, visit your website, and subscribe to your blog. How you classify that prospect acquisition is an internal decision. However, either way, it's crucial to have effective inbound strategies. Inbound sales best practices involve creating opportunities for prospects to contact you in as many places as possible and immediately follow up on any interest a prospect demonstrates. Reaching out with a phone call or email within minutes of someone viewing your website or filling out a form shows your attention to detail. It also captures the prospect while they're actively looking for information.





# Tools of the Trades

Prospecting can be daunting for any sales team. The following sales prospecting tools can help any organization maximize efficiency and boost overall lead generation.

- **Crunchbase Pro** – Crunchbase Pro gives users the ability to perform in-depth research on their sales prospects, ensuring quality leads and offering insights on the best time to make a pitch.
- **Apollo.io** – Apollo enables users to send the most effective communications to prospects with its recommended messaging and data-driven email technology.
- **Emissary** – Emissary offers a platform that pairs sales professionals with former executives at companies they are targeting and trying to pitch.
- **Cirrus Insight** – Cirrus Insight allows you to track your prospect's collateral usage and engagement to better understand which pieces of your collateral is most influential in closing deals.
- **Hunter** – Hunter makes contacting prospects easy by giving you the ability to acquire email addresses from an organization in seconds in addition to listing all the people working at a company.
- **PandaDoc** – PandaDoc helps you eliminate the tedious paperwork and administrative tasks that keep you from engaging prospects and closing deals.

# A Step-by-Step Approach to Sales Prospecting

Typically, the roles on sales teams dedicated to prospecting are Sales Development Representatives (SDRs) and Business Development Representatives (BDRs). Not every company has or needs both of these roles and, in some cases, the titles can be used interchangeably. If a company is distinguishing between the two, then SDRs typically focus on inbound prospecting while BDRs spend their days doing outbound prospecting.

However you choose to structure your team, it's valuable to have a role that's solely focused on prospecting efforts. Because the research and tactics involved in sales prospecting can be time-consuming, having individuals dedicated to doing this work will make your overall sales team more efficient. While prospectors focus on building and refining the sales pipeline, account executives can spend their time closing deals with qualified leads that have moved further down the funnel.

## Step 01

### Lead Qualification

Once you have a pool of leads, it's time to separate the dead ends from the qualified prospects. Essentially, you are categorizing who you want to devote your time to. Ask yourself this series of questions before pursuing leads:

1. Is your product within your lead's price range?
2. Does your lead have a need for your product?
3. Is your lead unhappy with his or her current product or service?
4. Is your lead able to switch to your product at the current time or in the near future?
5. Have you been speaking to a decision maker at your lead's company?
6. Has your lead shown an interest in learning more about your product?
7. Has there been an established timeline in your sales pipeline?

# A Step-by-Step Approach to Sales Prospecting

Typically, the roles on sales teams dedicated to prospecting are Sales Development Representatives (SDRs) and Business Development Representatives (BDRs). Not every company has or needs both of these roles and, in some cases, the titles can be used interchangeably. If a company is distinguishing between the two, then SDRs typically focus on inbound prospecting while BDRs spend their days doing outbound prospecting.

However you choose to structure your team, it's valuable to have a role that's solely focused on prospecting efforts. Because the research and tactics involved in sales prospecting can be time-consuming, having individuals dedicated to doing this work will make your overall sales team more efficient. While prospectors focus on building and refining the sales pipeline, account executives can spend their time closing deals with qualified leads that have moved further down the funnel.

## Step #2

### Build a sales pipeline

A sales pipeline is a visual representation of your sales process, from finding a lead to closing a deal. Each category of your sales pipeline can vary in time depending on your type of industry and specific prospect. However, most sales pipelines include these four stages: prospecting, meeting, proposal, and closing.

1. **Prospecting:** This is the research stage of your sales pipeline. It's the time frame when you are searching for leads. Within this initial stage, you are also categorizing your leads into dead ends or prospects using the qualifying questions.
2. **Meeting:** Now that you've found a prospect that fits your Ideal Customer Profile, you have to prepare and deliver your sales pitch in person. This is the meeting stage of your sales process, and it's important to tailor your sales pitch to suit each of your prospects.
3. **Proposal:** This is when sales reps send their official offers to prospects. This proposal lists all of the terms, including pricing, length of service, and specific features of your product or service.
4. **Closing:** Of course, no sale cycle is complete until you close a deal. The closing stage is when your prospect agrees to your proposal, signs on the dotted line and officially becomes a customer.

## Step #03

### Nurture your sales pipeline

With all the stages of a sales pipeline, it's easy for sales reps to get halted or sidetracked. Set consistent deadlines throughout your sales process. Upon contacting your lead, set a date for your first meeting. You should also set deadlines for your lead in regard to deciding on your proposal. Consistently setting timelines will help build a sense of urgency and speed up the process.

Make sure you communicate with a decision maker during your prospecting phase. Speaking to a middle man or an employee who doesn't have any real purchasing power will prolong your overall sales process. It's especially important that you set up your pitch meeting with a key decision maker – rather than having to pitch your product multiple times to multiple employees.

Keeping communication open will also keep your sales pipeline moving. Follow up with your prospect after your sales pitch. Be prompt with answering your prospect's questions and be flexible in creating your proposal. It's also crucial to keep communication open during your proposal stage, which will gear your prospect towards closing. Be there for your prospect. If you feel it's necessary to set up additional in-person meetings or phone calls, don't hesitate to reach out.

## Step #04

### Audit your sales pipeline

It is easy for a sales pipeline to become congested with dead-end leads that can confuse a sales team and reduce efficiency. For this reason, it is important to conduct regular sales pipeline audits. The goals of a pipeline audit are twofold:

1. Remove unqualified leads: Eliminating unqualified leads from your sales pipeline will help to ensure that your sales team does not waste time on pitching companies that ultimately will not close.
2. Identify and reinforce positive prospecting trends: Scheduling regular pipeline audits allows sales managers to identify trends that can help propel increases in sales. For example, a regular pipeline review can unearth trends about characteristics that make a prospect more likely to close such as level of financing, size of a company, and average budget size.

## Step #04 Cont.

### Audit your sales pipeline

To perform an effective sales pipeline audit, establish a lead scoring or ranking system. This is a calculation that applies a certain score for prospects based on factors such as their budget, readiness to purchase and an overall need for your product or service. Specific factors and how they are weighted will vary from company to company, so be sure to identify which factors are most important to your individual sales cycle. Once you've completed your audit, you can use the information to set realistic sales quotas based on the updated sales pipeline.

## HubSpot Sales Pipeline Template

### Quarter One

Deal Name:	Contact Name:	Deal Stage:	Deal Size:	Probability:
Company ABC	James Williams	Contacted	\$110,000	15%
Company XYZ	Emma Smith	Decision Maker Bought In	\$85,000	35%
Company FGH	Michael Jones	Contract Sent	\$75,000	80%
Company LMK	Lily Miller	Closed - Won	\$70,000	100%
<b>Q1 Total</b>			<b>\$340,000</b>	

### Quarter Two

Deal Name:	Contact Name:	Deal Stage:	Deal Size:	Probability:
Company ABC	James Williams	Contacted	\$110,000	15%
Company XYZ	Emma Smith	Decision Maker Bought In	\$85,000	35%
Company FGH	Michael Jones	Contract Sent	\$75,000	80%
Company LMK	Lily Miller	Closed - Won	\$70,000	100%
<b>Q2 Total</b>			<b>\$340,000</b>	

### Quarter Three

## Technique 05

### Set sales quotas

Setting sales quotas, or goals within a specific time frame, is a balance of optimism and realism. You want to create a goal that your sales team has to work toward but is still attainable. Setting unreasonable and outlandish quotas will only lead to failure and a discouraged sales team.

As the leader of your sales team, you should set a variety of quotas. Create individual sales quotas for each member of your sales team in addition to a quota for your entire team. Sales quotas can vary in length of time, so having a broader annual quota made up of weekly, monthly and quarterly quotas will help achieve a more organized process for your sales staff.

