

QUALIFICATION WORKSHEETS

“The only unforgivable sin in
sales is wasting time.”

Steve Browne

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AGENDA

- The ten steps in a typical sales cycle
 - Definitions for each step
 - Objective measures for each step
 - Worksheets for each step

Ten Steps of a Sales Cycle

- Lead
- Value Proposition:
 - Why buy anything?
 - Why buy from us?
 - Why buy now?
- Champion
- Executive Sponsor
- Proof of Concept Trial
- Formal Pricing
- Negotiations:
 - Quantity
 - Price
- Agreement
- Signed Contract and Purchase Order (P.O.)
- Customer (reference)

Step 1: Lead

- Lead (We got them to pay attention to us, agree to a visit, agree to a demo, etc.)
- The ten steps start with a prospect who has agreed to spend some time to meet with us. This is our opportunity to learn as much as possible about them and their needs. What keeps them up at night? What is so painful in their lives that they are willing to spend time with sale reps? Their pain is what will drive them to overcome the hurdles to getting is a signed contract and a P.O.
- Objective measure: The difference between a Suspect (Step Zero) and a Step One is that they have shown some interest by agreeing to a meeting, by contacting us, by agreeing to a demo or whatever. Have they done this? If not, they are still at Step Zero (Suspect).

Step 1 Worksheet

- Name of Company _____
- Name of Contact _____
- Did they agree to a demo or meeting? _____
- If so, when? _____

Step 2: Value Proposition

- Value Proposition (We understand their motivations for buying.)
 - Why buy anything? (Why not just do nothing?)
 - Why buy from us? (Why not buy from our competition?)
 - Why buy now? (Why not put off the purchase?)
- Once we understand their pain we can understand why they would buy. This only happens if we know what and how to ask and we listen to the answers. Once we understand their pain we can make a decision about continuing the sales process. Is this a good fit? Is this likely to close? If their pain is not great, or if this is not a good fit, we should spend our time looking for someone who is a better fit. With solid answers to these questions, we can persist. Without good answers to these questions, we need to look elsewhere. Once we find a fit, even if they don't understand the solution yet, we understand it. Perhaps only one person at the prospect company sees the value of what we do. Part of our job as sales people is to educate the customers on the value of our product.
- Objective measure: Do we have solid answers to the three questions?

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Step 2 Worksheet

- Why buy anything? _____
 - Why not just do nothing? _____
- Why buy from us? _____
 - Why not from a competitor? _____
 - What is unique about their requirements and how does that fit with our product? _____
- Why buy now? _____
 - Why not wait? _____
 - Is there some event which is outside of their control that is forcing them to act? _____
 - Are they allowed to move their deadline? _____

Step 3: Champion

- Champion (We have recruited a coach.)
- A coach is someone who typically does not have the authority to buy, but who believes in our value and is willing to educate and guide us through the organization and also hopefully sponsor us. They are our source of information. We do not rely on them to drive the process. With the information we get from them, we will drive the sales process. However, we need their help to navigate their organization and identify the buyers and get the detailed information we need to build a solid value proposition.
- Objective measure: Have we recruited a coach? Are they helping us?

Step 3 Worksheet

- Have we recruited a champion? _____
- What is their name? _____
- Are they helping us by supplying us with information? _____
- Are they publicly advocating our solution or are they just supplying information? _____
- What is their motivation? _____

Step 4: Executive Sponsor

- Executive Sponsor (We have recruited someone who owns both the problem and the budget.)
- An executive sponsor is someone who can buy. They are typically higher-level executives but not always. In rare cases our sponsor is also our coach. Once we've built the value proposition with the information we got from our coach, we present it to the decision maker(s). Only when we have the buy-in from the Executive Sponsor should we go ahead with the Proof of Concept. They have to agree with the value and price and also agree that they will purchase the product if the P.O.C. is successful. The Sales department will sometimes use upper management to get access to higher-level executives.
- Objective measure: Do they agree that if the product works as promised they will execute a purchase order?
- Note: If you are unsure of their commitment, have them sign a formal trial document.

Step 4 Worksheet

- Do we have an Executive Sponsor? _____
- Do they have both the (budget) authority and the responsibility (the problem)? _____
- Do they agree that if the product performs as represented that they will buy? _____
- Is the Trial and/or P.O.C. just the “release of a contingency” in the buying process? _____
- Do you believe them? _____

Step 5: Trial or Proof of Concept

- Proof of Concept (We have a few users in production to prove the value so they can go ahead with the purchase)
- Only after we have the buy-in from the Executive Sponsor can we go ahead with the Proof of Concept. If this is in question, we should have them sign a document which sets the expectations down in writing. (See the chapter on formal Trial/P.O.C. documents). Once we have agreement from the Executive Sponsor, the successful completion of the P.O.C. is merely the release of a contingency.
- Objective measure: Are we currently in a trial? Is the product installed?

Step 5 Worksheet

- Have we started a Trial or Proof of Concept?
- Is the product installed? _____
- Do we believe they will buy if it works? _____
- If not, have we signed a Trial or P.O.C. document? _____
- When does the trial end? _____
- Are we all in agreement? _____

Step 6: Formal Pricing

- Formal Pricing (We have submitted formal pricing in writing.)
- If we have not done so already, a formal quote is sent stating our pricing and the broad business terms which go along with that price. The language should be clear but not too legalistic. A term sheet is sometimes a good idea here. All quotes should have a date which specifies when the offer expires. This should always be done in person. In general, pricing discussions should take place in person. Even informal pricing discussions should be done (worst case) over the phone.
- Objective measure: Have we submitted a formal quote in writing?

Step 6 Worksheet

- Have we sent them a formal price quote? ____
- Do we understand their motivations? _____
- Do we understand their needs? _____
- What quantity do they need? _____
- What are their plans? _____
- What do they hope to gain? _____

Step 7: Negotiations

- Negotiations (We are negotiating on pricing and terms.)
- Negotiations on pricing and terms can sometimes be a long process. This is when we find out if we've done our homework on the preceding steps. If they balk on price we need to go back to our notes and re-confirm the value. This is why establishing value up front is so important. Weak sales reps cave on price. This is an opportunity for role playing, like "good-cop, bad-cop". In general, someone has to preserve their relationship with the prospect so that the lines of communication stay open, and someone has to deliver the bad news that this is as far as we are willing to go.
- Objective measure: Are we currently going back and forth on different pricing and quantities or other terms and conditions. Do we or do we not have agreement on these issues? If not, we're still at step seven.
- Note – if you HAVE to give in, get something in return (like a reference)

Step 7 Worksheet

- Are we in negotiations? _____
- Have we shown them alternatives for higher quantities and lower prices? _____
- Did we give them a discount? _____
 - If so, what did we get in return? _____
- What are their options? _____
- How do we keep this from becoming “The Incredible Shrinking Deal”? _____

Step 8: Agreement

- Agreement (We have come to agreement on pricing and terms.)
- Once we have agreement on pricing and terms, we then have to work our way through the mechanics of getting the contract signed and having a P.O. generated.
- Objective measure: Have we come to agreement on quantity, pricing, terms, deliverables, etc? Are we ready to create the legal agreement and generate the purchase order?

Step 8 Worksheet

- Have we come to agreement on pricing, quantity and terms? _____
- If so, what are they? _____
- What are the steps in their buying process?

- How long will all this take? _____
- Do we know who is involved in each step?

Step 9: P.O. & Signed Contract

- P.O. and Signed Contract (We have a signed contract and a purchase order.)
- In order to book a deal, we need to have a signed contract, a Purchase Order and verification that the software has been delivered.
- Objective measure: Do we have a signed contract and an official Purchase Order?

Step 9 Worksheet

- Do we have a signed contract? _____
- Does the signer have authority? _____
- Do we have a Purchase Order? _____
- Is the P.O. an “official” P.O.? _____
- Will they pay based on this P.O.? _____
- Are we willing to countersign the agreement (have we approved the terms?) _____

Step 10: Customer (Reference)

- Payment (We have a happy customer willing to be a reference, and a payment.)
- At this point the customer should be happy and have paid their invoice.
- Objective measure: Has the customer paid the invoice? Are they happy?

Step 10 Worksheet

- Have they paid their invoice? _____
- Are they happy? _____
- Are they willing to be a reference? _____
- What kind of reference are they?
 - Phone reference? _____
 - Customer Story on Website? _____
 - Article in a trade publication? _____