

# Define Your Process

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**Note** – This is one from a sequence of exercises from the Sales Process subject outlined in the Strategic Marketing Process eBook. Download the free e-book [www.growthpanel.com/marketing-tools/index.html](http://www.growthpanel.com/marketing-tools/index.html) and subscribe to this subject at [www.growthpanel.com/versions/get-started.html](http://www.growthpanel.com/versions/get-started.html) to download from Growth Panel’s Intelligent Marketing Platform.

*Some of the graphics in this PDF might not display properly.*

To define your sales process, list the steps you think prospects logically take from the time they recognize a problem to the time they purchase. Talk with customers or ask your sales reps for more insight. Figure out what steps they take, what they need to know and how you can deliver that information most effectively.

For each step your prospects need to take, list

- ▶ What the prospect needs to learn
- ▶ Literature & tools you can provide to help the prospect move forward
- ▶ The length of time a prospect needs at the step
- ▶ The percentage of prospects who move from each step to the next (your “conversion rate”)

## Summary

EXERCISE SUMMARY	
<b>When to Address</b>	If you’re taking a new product or service to market  If you’re focused on improving your selling effectiveness to increase revenue
<b>Who Should Participate</b>	Business leaders: company founders, owners, presidents and vice presidents  Marketing and sales leaders
<b>Where to Use the Results</b>	Use your well-defined process to sell more effectively.
<b>Why it’s Important</b>	With a precise & well-defined selling process, you improve your revenue forecasting, sales management, sales efficiency, sales tools & literature effectiveness and market

	share growth rate.
<b>What Builds Upon it</b>	Your sales management and sales tools & literature are tied directly to your sales process.
<b>Timeframe to Completion</b>	A few hours to a few days, depending on your situation
<b>Potential Business Impact</b>	Medium
<b>Deliverable</b>	You'll define how your prospects buy, match selling steps to their needs, determine the sales tools & literature to deliver at each step and forecast the percentage of prospects that move through each step to become a customer.
<b>Next Steps</b>	Determine new customer and revenue targets.

<b>Target Completion Date</b>	
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PARTICIPANTS

TASKS	PERSON RESPONSIBLE	DUE DATE

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**Notes**

# Define Your Process

## What to Complete

1. DEFINE YOUR CUSTOMERS' BUYING PROCESS
2. DETERMINE SALES TOOLS & LITERATURE TO DELIVER AT EACH STEP
3. DEFINE MEASUREMENT CRITERIA
4. DETERMINE CONVERSION CRITERIA

## Where it Fits in Sales Process

Determine Your Current Selling Effectiveness



Define Your Customers' Buying Process  
 Determine Sales Tools & Literature to Deliver at Each Step  
 Define Measurement Criteria  
 Determine Conversion Criteria



Set Revenue and Customer Goals  
 Calculate Pipeline Requirements to Meet Goals  
 Determine Pipeline Data to Track  
 Define Reporting Requirements  
 Diagnose Sales Process Problems  
 Determine Solutions  
 Further Define Qualified Leads

### 1. DEFINE YOUR CUSTOMERS' BUYING PROCESS

First, determine how many "channels" you use to sell your products/services. For example, if you sell 1) directly to end-users and 2) to/through distributors, you have two channels. [Distribution Channels can help.]

ADDITIONAL EXAMPLES	NUMBER OF SALES PROCESSES
Company A offers IT consulting services to large companies. They don't have any partnerships; they generate all of their business through direct sales.	<b>1</b>

Company B sells software directly to end users (1) as well as to distributors who package the software with services (2).	<b>2</b>
Company C offers IT consulting services and sells just like Company A (1). However, Company C also has a software division; that division often sells software to consulting clients (2) as well as to outside users (3).	<b>3</b>

List your products/services below and then identify your sales channel for each.

YOUR PRODUCT OR SERVICE	SALES CHANNEL(S) USED FOR THIS PRODUCT/ SERVICE
<b>1</b>	
<b>2</b>	
<b>3</b>	
<b>4</b>	

If you have multiple channels, you may need to define a sales process for each channel. Think about the way you sell to each channel and estimate the number of processes you'll need:

<b>Total Number of Sales Processes</b>	
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**DEFINE THE BUYING PROCESS**

A good sales process is structured around the way your customers prefer to purchase your product/service. At each step, you should deliver the information that your prospect needs in order to move that prospect at least one step closer to purchase.

Here are typical stages that a buyer for a complex product/service may go through. Check the steps that you think are relevant for your company.

<b>Product or Service</b>	
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<b>Distribution Channel</b>	
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[Distribution Channels can help]

STAGE	WHAT HAPPENS AT THIS STEP?	Is this step in your process?
<b>No pain felt</b>	<b>Business as usual</b> – the company (the potential buyer) has no pain.	<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Identify pain</b>	<b>A person within the company determines that they have a pain.</b> It may come at annual planning time when a goal is established and the company realizes that it needs help.	<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Validate pain/ gain support</b>	<b>The person who identifies the pain begins the process of gaining support to find a solution.</b> May identify other areas that are affected by the problem.	<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Research solutions</b>	<b>The person begins to research potential solutions.</b> S/he person may reach out to selected companies for informational purposes.	<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Vendor/supplier discussions</b>	<b>The company begins to talk with vendors/suppliers:</b> formal introduction, gather literature, initial meetings, etc.	<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Identify leading vendors</b>	<b>The company selects one or more leading vendors/ suppliers.</b> The leading vendor is the “benchmark;” the buyer will typically engage in more detailed discussions with the leading vendor than with the “supporting” vendors.	<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Formalize bidding process</b>	The company sets its formal objectives, budget, and parameters for the project, then <b>seeks bids/proposals.</b>	<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Review bids</b>	<b>The company reviews the bids/proposals.</b>	<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Negotiate with finalists</b>	<b>The company narrows down to 2-3 finalists</b> and negotiates terms.	<input type="checkbox"/> Yes <input type="checkbox"/> No

STAGE	WHAT HAPPENS AT THIS STEP?	Is this step in your process?
<b>Choose solution</b>	<b>The company identifies its solution</b> and notifies the winner.	<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Negotiate contract</b>	If the buyer and vendor must <b>negotiate a contract</b> , it's done at this time.	<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Result: Execute contract/purchase</b>	When the contract is executed, the initial sales process has concluded and <b>you're ready to fulfill the contract</b> .	<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Result: Lost to a competitor</b>	<b>Customer purchases from your competitor</b> , but is willing to keep up a relationship with you for potential future business.	<input type="checkbox"/> Yes <input type="checkbox"/> No

For each product/service and sales channel, think about the steps your prospects take from the time they identify a need to the time they buy from you. Use the chart above as a baseline (simplify it if your product/service is less complex).

Product/service			
Distribution channel (if relevant)			
#	Prospect buying step	What does the prospect need to know, feel, and receive to get to the next step?	How long (in weeks) do you think it takes the prospect to move to the next step?* (see tip below)
1			
2			
3			
4			
5			
6			
7			
8			
9			

10			
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**\*This number is easy to underestimate**, especially if the purchase is substantial and involves multiple decision-makers and/or influencers. If you don't have historical data to review (especially if you're a new entrant to the market), be extremely conservative – in many business-to-business sales processes, it takes prospects weeks to move from one step to another. Build your marketing plans with these assumptions, and if you underestimate, your marketing efforts could fall dramatically short.

If your company is already established and the sales process mirrors the buying process, you can use historical data to estimate the actual time it takes to move prospects forward. You can also ask your sales reps to give you an estimate and/or to talk with customers to obtain this information.

**2. DETERMINE SALES TOOLS & LITERATURE TO DELIVER AT EACH STEP**

Once you've outlined what your prospects need to know at each buying step, identify what you can deliver to the prospect to help move them forward based on their needs (above).

#	Prospect buying step	What literature, tools*, or information can you provide to meet the customer's need at this step?	Who from your company should be involved?
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			

**THESE ITEMS BECOME YOUR "SALES LITERATURE & TOOLS"**

\*Tools are items that aid the salesperson convince the prospect to purchase. Examples include product demos, samples, case studies, savings analyses, ROI calculators, news articles and marketing collateral. [Sales Literature & Tools can help]

### 3. DEFINE MEASUREMENT CRITERIA

Now decide how to measure progress through the sales process.

#	Prospect buying step	How will you measure whether the prospect has moved to the next step?
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		

**THESE MEASUREMENT CRITERIA BECOME YOUR REPORTING REQUIREMENTS – you’ll need to implement these measurements so you can track your success against your company goals**

### 4. DETERMINE CONVERSION CRITERIA

Finally, estimate the percentage of prospects that move from one step to the next. Calculate each percentage independently, not cumulatively – OF THOSE who made it to a particular step, what percentage move on?

For example, if you generate 10 proposals for consulting services and 6 progress to the negotiation stage, your conversion rate from proposal to negotiation is 60% (6/10). If you end up signing three contracts for service, your conversion rate from negotiation to contract is 50% (3/6).

#	Prospect buying step	Of the prospects who reach this step, what % will move to the next step with you?*
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		

\*Here's another difficult measurement if you haven't tracked this information in the past. Your accuracy will directly impact your calculations for the number of leads you need to fill your pipeline.

Enter this information into **85-A**. It will calculate your close ratio and then feed this information into your revenue goals to determine how many prospects you need in each phase.

If you have historical information (or can ask your colleagues to estimate), here's an exercise to help you calculate conversion.

<b>Step</b> for which you're going to calculate a conversion rate	
<b>How long does it</b> typically take for a prospect to move from this step to the next?	
<b>Choose two dates; Date #2 = Date #1 + the amount of time above</b>	
<b>Date #1</b>	
<b>Date #2</b>	

On Date #1, list the prospects that were at this step	If the prospect was still in your pipeline at the same stage on Date #2, check S. If they had moved to a different stage, check D. If they had fallen out, check L.					
	<input type="checkbox"/>	S	<input type="checkbox"/>	D	<input type="checkbox"/>	L
	<input type="checkbox"/>	S	<input type="checkbox"/>	D	<input type="checkbox"/>	L
	<input type="checkbox"/>	S	<input type="checkbox"/>	D	<input type="checkbox"/>	L
	<input type="checkbox"/>	S	<input type="checkbox"/>	D	<input type="checkbox"/>	L
	<input type="checkbox"/>	S	<input type="checkbox"/>	D	<input type="checkbox"/>	L
	<input type="checkbox"/>	S	<input type="checkbox"/>	D	<input type="checkbox"/>	L
	<input type="checkbox"/>	S	<input type="checkbox"/>	D	<input type="checkbox"/>	L
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	<input type="checkbox"/>	S	<input type="checkbox"/>	D	<input type="checkbox"/>	L
	<input type="checkbox"/>	S	<input type="checkbox"/>	D	<input type="checkbox"/>	L
	<input type="checkbox"/>	S	<input type="checkbox"/>	D	<input type="checkbox"/>	L
	<input type="checkbox"/>	S	<input type="checkbox"/>	D	<input type="checkbox"/>	L
	<input type="checkbox"/>	S	<input type="checkbox"/>	D	<input type="checkbox"/>	L
<b>Enter the total number of prospects at this step below</b> [S + D + L] (A)	<b>Enter the total # of D below (B)</b>	<b>Enter the total # of L below (C)</b>				
<b>Divide B by A to get your conversion rate from this step to the next</b>						

Do this exercise for each step in which you need a solid estimate. Again, when you calculate an accurate conversion rate, you'll have more accurate revenue and marketing projections.

**YOUR FINAL SALES PROCESS(ES)**

Your sales process is an important reference tool for other projects. It helps to document your process in a single document that you can review as often as needed.

List each of your final sales process(es) here:

<b>Product/service</b>	
<b>Distribution channel (if relevant)</b>	

**SALES PROCESS, MATERIALS AND RESOURCES**

Buying steps that a prospect goes through	What does the prospect need to know, feel and receive to get to the next step?	What literature, tools or information can we provide to meet the prospects' needs at this step?	Who from the company should be involved at this step?
1			
2			
3			
4			
5			
6			
7			
8			

**CONVERSION RATES AND TIMING**

Buying step (from above)	What % of prospects will move to the next step?	How long (in weeks) do we think it takes the prospect to move to the next step?
1		
2		
3		
4		
5		
6		
7		
8		

<b>Buying step</b> (from above)	<b>What % of prospects</b> will move to the next step?	<b>How long</b> (in weeks) do we think it takes the prospect to move to the next step?
<b>Total conversion rate:</b> Of the prospects entering at step 1, what % make it to the final step?		

# Define Your Process

## Report

### 1. OUR SALES PROCESS

This report summarizes our results from completing Exercise 81 – Sales Process: Define Your Process.

#### 1. OUR SALES PROCESS

Our sales process is an important reference tool for our revenue forecasting, sales management and marketing campaign design. Each of our final sales process(es) are as follows:

<b>Product/service</b>	
<b>Distribution channel (if relevant)</b>	

#### Sales process, materials and resources

	<b>Buying steps that a prospect goes through</b>	<b>What we need to convey to get to the next step:</b>	<b>The literature, tools or information we will deliver to meet the prospects' needs at this step:</b>	<b>People involved at this step:</b>
<b>1</b>				
<b>2</b>				
<b>3</b>				
<b>4</b>				
<b>5</b>				
<b>6</b>				
<b>7</b>				

Buying steps that a prospect goes through	What we need to convey to get to the next step:	The literature, tools or information we will deliver to meet the prospects' needs at this step:	People involved at this step:
8			

**Conversion rates and timing**

Buying step (from above)	The % of prospects that will move to the next step:	How long (in weeks) it takes to move to the next step:
1		
2		
3		
4		
5		
6		
7		
8		
<b>Total conversion rate:</b> Of the prospects entering at step 1, this is the % that will become customers		