



Track: Customer Relationship Development

Unit 1: Prospecting for New Customers

Vicki Flesher, Energy Solutions Center



HUNTER VS. FARMER: WHAT ARE YOU?

Review the lists below, and check the boxes that best describe you. Are you a Hunter or a Farmer?

Hunter

- ☐ Enjoys finding new opportunities or customers
- ☐ Gains energy from the “hunt”
- ☐ Is motivated by “the kill”
- ☐ Takes risks and appears fearless
- ☐ Enjoys networking
- ☐ Struggles with follow through and focus
- ☐ Is emotionally resilient - can take no repeatedly
- ☐ Works well independently
- ☐ Is self motivated



Farmer

- ☐ Enjoys nurturing and building deep customer relationships
- ☐ Gains energy by building trust and credibility with customers
- ☐ Focuses energy to turn good customers into great customers
- ☐ Struggles with rejection and risk taking
- ☐ Focuses on managing and growing existing accounts
- ☐ Spends time planning and executing strategy
- ☐ Is emotionally intelligent
- ☐ Likes to collaborate with others and work on teams
- ☐ Is energized by customer interaction and recognition



For your local distribution company (LDC) to be successful with business development efforts, what do you need – Hunters or Farmers? What are the consequences of imbalance? Take a minute and reflect on these questions. Capture your answers below.

LEARNING OBJECTIVES

By the conclusion of this session, participants will be able to:

- Define prospecting
- Recognize three methods to prospect
- Identify three characteristics of a great prospect
- List the steps in the prospecting process
- List at least three types of information to gather when researching a prospect



Prospecting is the most difficult part of selling!

What Is Prospecting?

Prospecting is...

the process of searching for potential customers, clients, or buyers in order to develop new business. The end goal is to move prospects through the sales funnel until they eventually meet your corporate goals of either becoming a revenue-generating customer, or make upgrades or improvements to save energy.

What are some of the characteristics of a great prospect? If you don't know what you're looking for, it's hard to find it. Capture some of the characteristics below that would help you to identify a prospect.

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ANALYZING YOUR CURRENT CUSTOMERS

Another way to identify great prospects is by analyzing your current customer base. Think about the customers that you currently serve that are really good customers, and think about what characteristics they have in common. Consider some of the following factors:

Residential	Commercial/Industrial
On, or near the gas main	Industry type (What do they do?)
Development size	Business revenue
Average home size and value	Cost of electricity
Median income in the development	Equipment age and usage
Lifetime value	Lifetime value

1. Who are some of your great customers?
2. What other characteristics do they have in common?
3. Based on these common characteristics, what new prospects might you want to target?

PROSPECTING METHODS

- **Cold calling**
 - Cold calling is a method that is frequently used, and the term implies that the prospect is cold. The seller identifies a prospect via some form of list and calls or drops in on the prospect. Often times the decision maker is unknown, and the probability of selling something is low. On average, for every 100 calls made, 3 to 5 result in sales.
- **Cold email solicitation**
 - Like cold calling, a list is used, and the prospect is cold. The seller is unaware of the needs of the prospect, and may or may not be aware of the decision maker. Probability of a sale is very low. This method is commonly used, and perceived by the seller as a lower risk of rejection than cold calling.
- **LinkedIn**
 - LinkedIn is the social media of the business world, and a great way to identify prospects, leverage connections and gain introductions to people you want to do business with. Using this tool, may allow the seller to warm up a lead, as well as identify the decision maker in the prospect's business.
- **Networking events**
 - Networking is a low risk method that allows a seller to meet many potential prospects in a short length of time. This method is a way to quickly qualify prospects, and create opportunities for further interaction with a prospect. A seller can network at tradeshow, industry association gatherings, local community events, etc.
- **Industry associations**
 - If you are targeting prospects in a particular industry, it may be helpful to get involved in the industry's state or national association. This will help the seller to continue to learn about the industry and its challenges, as well as meet people that could be future customers.
- **Customer referrals**
 - A way to shorten a seller's sales cycle is to ask current customers for referrals. When the seller gets a referral, it establishes credibility for the seller, and warms up the lead. Often times the referral source has inside information that will help the seller win the opportunity.
- **Leads groups**
 - Sellers can participate in or create their own leads groups. These groups meet on a regular basis and exchange contact information for potential new prospects.

COLD CALLING TIPS

That old saying that “it’s a numbers game” has some truth to it. Cold calling can be a great way to open doors, but it can be very challenging and discouraging in short order. If your method of prospecting is to cold call, think about these things:

- Begin with the end in mind
 - What do I want to achieve if I connect with the prospect?
- How do I get to the right person?
 - What am I trying to sell, and who owns the decision about the service?
- For C&I, get past the gatekeeper to access the decision maker
 - Build a relationship with the decision maker’s administrative assistant or the gatekeeper by treating them with the same respect you would treat the decision maker
 - Explain the purpose of your call to the gatekeeper, your value proposition, and ask who you should talk with
 - Call before or after hours, or during the lunch hour
 - Look for direct dial numbers and e-mail addresses (Business Journal On-Line)
 - Dial 0 to get out of voice mail and to reach a person that could assist you
- What will I say or do if I reach the homeowner or the decision maker?
 - Introduce yourself, and state what has caused you to make contact. Identify your referrer, if you have one
 - State your purpose – why are you calling? Try to make your purpose relevant to a specific issue that is important to the decision maker
 - Establish credibility by describing how you’ve helped others with similar challenges or worked with similar customers
 - Demonstrate curiosity by asking great questions and listen
- Propose action
 - What do you want the decision maker to do as a result of the contact?

A PROCESS FOR PROSPECTING

To be efficient and effective, it's always prudent to utilize a consistent process!

Step One:

Research



- Does the prospect fit our criteria?
- How might I connect with the prospect?
- Who are the key stakeholders/decision makers?
- How familiar am I with the market or industry?
- How could I provide value to the prospect?
- How much value could I provide?

Step Two:

Prioritize the Prospects

- High Priority (Matches prospect criteria; homeowner or business challenge aligns with my offering; access to the decision makers; mutual connection for an introduction or to create credibility; high level interaction through website or social media)
- Medium Priority (Matches some prospect criteria; homeowner or business challenge aligns with my offering; access to a decision influencer; some level of interaction through website or social media)
- Low Priority (Doesn't match any of the prospect criteria; unclear homeowner or business challenges; no access to decision maker or influencers; limited or no interaction through the website or social media)

Step Three:

Further Research to Prepare to Reach Out

- Learn about the prospect and/or their business and industry, and their role
- Look for a reason to make contact like a trigger event, a mutual contact, a recent visit to your website, an experience with similar customers, etc.

A PROCESS FOR PROSPECTING

Step Four:



The First Touchpoint: Phone or E-Mail

- Personalize your approach – what specific problem is the prospect encountering that you could help to solve, or what do you have to offer that might help the customer save money or improve comfort
- Be human – Use pleasantries when you approach like “have a nice weekend” or “what a great website you have” or “John said such nice things about you”
- Offer something of value without charge – a complimentary energy audit or home visit
- Keep it casual and non-threatening – don’t try to sell anything yet
- Ask for an opportunity to connect again

Step Five:

Self Evaluate

- What did you learn from your effort to prospect?
- What could you improve?
- What would you like to continue doing?

Step Six:

Iterate

Reflect on this six step prospecting process, and answer the questions below:

1. Which of these steps am I consistently and competently performing already?
2. Which steps do I need to improve?
3. Which steps do I need to incorporate into my prospecting process?

RESEARCHING A PROSPECT

Which of the following items would be relevant for you in your research endeavors? Place a checkmark beside the items you would like to know.

Commercial/Industrial Prospects

	Products or services the company provides
	Geographical locations
	The annual revenue of the company
	Number of employees
	The executive team members/decision stakeholders
	Contact information for the company and key contacts
	The company's main competitors
	Issues that are prevalent in the customer's industry
	Trade publications for the customer's industry
	Industry associations that the customer likely belongs to
	Current industry and/or company news
	Knowledge about the decision stakeholders

Residential Prospects

	Size of development
	Average home size
	Location of the gas main, relative to the homeowner
	Cost of electricity in the area
	Current usage of natural gas

RESEARCH THE CUSTOMER

- LinkedIn <https://www.linkedin.com/>
 - Search for the individual's name.
 - **TIP:** Turn on “private mode” in your LinkedIn settings if you do not want people to know that you are browsing their profiles. This feature is available to Basic (free) account holders.
 - A LinkedIn profile can not only give you information about a person's current position, it can give significant insight into a person's history, as well as what they like and causes they support. The profile can provide you with information about:
 - How you are connected to the customer (primary, secondary, or tertiary level)
 - What “groups” the customer belongs to
 - Where they went to school
 - Where they worked before
- Google <https://www.google.com/>
 - Search full names, partial names, and add additional relevant keywords to your search to enhance the search results.
 - Articles, press releases, and info from previous employers can appear in searches. You might also find their social media accounts, boards they sit on or organizations they are involved in. (This is an especially important search to make for people who don't use LinkedIn).
 - Is the prospect involved in multiple businesses? Does the prospect have any hobbies that get them noticed? Is there something in the prospect's past that they aren't proud of (lawsuit, etc.) that might make them not a fit? Searching their name can help you determine that.
- Use social media!
 - Search for the individual prospect on Facebook, or (if you are able to), Twitter and other forms of social media.
 - If their Facebook profile is not locked down, check out their Page “likes” and interests. Looking at what pages and interests your prospect likes can help you find common ground.
 - Does your prospect Tweet actively? Engage with them (if appropriate)! Follow, retweet, and mention relevant content.

RESEARCH THE BUSINESS

- Business Website
 - Always read 'About,' 'History,' and 'Contact' sections, at a minimum.
 - If they have a blog or press release section, familiarize yourself with the content.
 - Look for any sections or sub sections that might include board of directors or key personnel.
- LinkedIn <https://www.linkedin.com/>
 - Search company names
 - Some companies (and individuals) regularly post blogs and other content to LinkedIn – check feeds.
 - Looking at a company page, we can learn:
 - Who works there
 - How you are connected to any employee of that company
 - What “groups” their people belong to
 - Who holds what position at the company
- Manta (free) <http://www.manta.com/>
 - From the home page, search company name and location.
 - Will give basic details such as address, phone, website, and year founded.
 - May include revenue range and approximate number of employees.
 - Sometimes includes a Principal or C-level name (not always accurate, so do further research).
- Better Business Bureau (free) <https://www.bbb.org/>
 - From the home page, search company name and location.
 - Will give basic details, such as address, phone, website, and year founded.
 - BBB rating is given to every company and can give some insight as to how a business is operated and how they handle problems.
 - BBB listing may include principal or C-level contact names (but is often a customer service or HR level employee).
 - Reviews and complaints tab can show if the company experiences customer service issues.

RESEARCH THE INDUSTRY

- First Research (paid subscription) <http://www.firstresearch.com/>
 - These profiles are extremely valuable, and include a detailed and current industry overview, industry specific indicators, forecasts, challenges and trends.
 - Also includes suggested conversation starters for executives at different levels based on current information and trends, which are extremely helpful.
- Industry associations are a great resource for information about specific companies. Look specifically for:
 - Member lists
 - Blog articles
 - Newsletters
 - Conferences, trade shows, or events
 - Reference guides
 - Some industry associations publish regular reference guides about specific challenges, laws, and guidelines that could be helpful for you to know about, especially if you're looking for deep knowledge of an industry.
- Industry publications
 - Many industry associations publish regular magazines that will often contain feature articles about association members or companies in that industry.
 - You can often subscribe to or obtain digital copies of these publications without being a member of the association.
- Local Business Journal (bizjournals.com, not in every market) <http://www.bizjournals.com/>
 - Biz Journals can give great insight into the local economy, local trends, and often gives lists of businesses and ranks them by revenue, employees, growth, etc.
 - Check the "Book of Lists," published annually by Biz Journals in certain markets, which ranks businesses in a geographic area by industry, size, and growth.

HOMework

Create a prospecting plan by populating the table below. Identify 10 prospects, based on your “best customer” profile, and then identify your approach method (phone, email, networking opportunity, etc.) and the research you need to do before you make contact.

Prospect	Approach Method	Necessary Research
1.		
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		