

Lesson 1

The Sales Cycle



Objectives

At the end of this lesson, you will be able to say . . .
 "I can identify and implement the different steps of the sales cycle."



Business Problem

You are a salesman for a software company that handles customer data. You have identified a potential client that could increase your company's revenue by 300%. Unfortunately, the client is very busy and has offered you only 3 minutes to pitch your product.



Definition

Companies generate revenue by increasing sales. Selling means convincing potential customers to buy your product. The **sales cycle** is a series of steps that companies follow to find, negotiate, and close a sale. When you understand how to implement the **sales cycle** effectively, you are preparing your company for profitable growth.



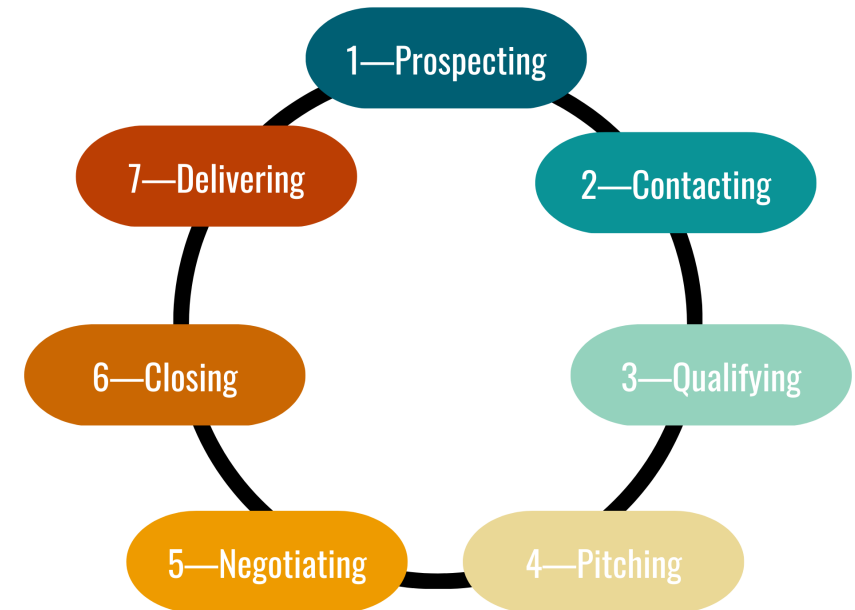
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Article

The Sales Cycle

The sales cycle is a routine of steps to help you maintain control over a potential sale. The sales cycle follows the potential customer from acquisition to retention. Each step of the sales cycle is explained below.



1. Prospecting

Before you can make a sale, you need to identify potential clients. In order to generate productive leads, you need to understand your target market and identify ways of reaching them. During this stage, ask yourself this question: What kind of customer is going to be most interested in my product?

2. Contacting

Once you have generated a list of leads, it is time to reach out to them. How you contact and what you say will determine whether you are able to start a productive conversation. Be direct in your communication; introduce yourself and request a time to meet.

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3. Qualifying

Your first meeting with a client should be focused on listening to their needs. Ask questions and listen to the client's answers. Throughout the meeting, try to identify the things that this client needs and wants out of a product. Try to see if your product will be a good fit for their budget and needs.

4. Pitching

Once you understand your client and their needs, you can pitch your product to them. Highlight the benefits of your product—especially the ways your product meets their needs. Demonstrating the features of your product for the client will help them get a sense of what your product actually does. Remember to manage your client's expectations appropriately; you don't want them to be confused about what it is you are selling.

5. Negotiating

Clients will often have questions or concerns about your product. Remain positive as you answer difficult questions, and always focus on the strengths of your product. Reassure them that your product is capable of meeting their needs. If a client is concerned about price, explain how the many features of the product justify the cost.

6. Closing

Once you've discussed all of the details of the sale, you are ready to close. Reiterate the strengths of your product and how it meets the client's needs. Make sure that you are ready for them to sign a contract or make a payment. Once they agree to the sale, be sure to follow up regularly. Clients don't want to feel like they were only important to you until you received their money.

7. Delivering

In order to create lasting sales relationships, you need to make sure that the customer is satisfied with their purchase. During your pitch, be careful not to oversell the strengths of your product because your client may feel like you lied to them. Regularly check in with clients to make sure they are satisfied with their purchase. At this point, you should ask clients for referrals. Once you have a referral, you will start the sales cycle over again.

Occasionally, you will have several opportunities to meet with a client and discuss your product. However, there may be times where you have to give an elevator pitch. Imagine you are riding on an elevator and you want to pitch your product. You only have a few minutes, so you have to make sure you focus only on the most important parts of your pitch. When it comes to sales, flexibility is key.



Comprehension

Answer each statement with *true* or *false* based on the article.

- 1) Once you identify potential clients, you are ready to close a sale. _____
- 2) Your client's questions and concerns are not important to make the sale. _____
- 3) You want to highlight the strengths of your product to potential clients. _____
- 4) Closing a sale means getting the client to agree to buy your product. _____
- 5) Once you have closed a sale, you don't need to worry about that client anymore. You should focus only on closing the next sale. _____

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Application

Timothy is trying to sell a new car to a couple that has walked into his dealership. How is Timothy focusing on his clients' needs? What would you do differently?

A: We are happy to help you find a car that will work great for your family. What are you hoping to get out of a car?

B: Well, I have a long commute to work, so I need something that is reliable and has good mileage. We also have young kids, so we need plenty of room for them.

A: That's perfect. I actually have a car that I think will work great for you. Our new electric minivan can go eighty miles on one charge. We have charging stations all around the city, and you're going to be saving a fortune by going electric.

B: I don't know, I'm worried that an electric car is a bit outside of our budget.

A: A lot of people worry about that, but the money you save on gas typically makes up the price difference within five years. You're paying more upfront, but in the long run, you're going to save a fortune, especially with how much you commute. The car also has state-of-the-art safety features, so you can drive knowing that your family will be safe.

B: I do appreciate that. Maybe we need to rethink our budget. We will think about it and get back to you.

A: Why don't we set up another meeting for next week? Here's my number; I'd be happy to answer any questions you might have about the car as you discuss this decision together. I'm sure we have a car that will give your family everything it needs to make great memories.



Practice It

Identify the stage of the sales cycle represented in each scenario.

- 1) Asking a long-time client if there is anyone they know who would also be interested in your product. _____
- 2) John answered the client's question about whether or not the software could integrate with their data management system. _____
- 3) Susan sends an email to potential clients introducing her new service and inviting them to schedule a virtual meeting. _____
- 4) Holly has generated a list of 50 potential leads that she thinks would be interesting in purchasing her company's product. _____
- 5) Ryan negotiated a price point that the client was happy with and was able to get them to sign up for five years of service. _____



Polish It

Research the differences between B2B companies and B2C companies. Identify whether the following businesses are B2B or B2C.

- 1) a mining company sells metal to a manufacturing plant in another city _____
- 2) a bookstore sells popular books to kids _____
- 3) a fashion brand sells clothes to customers in their store _____
- 4) a clothing manufacturer sells clothes to a retail chain _____
- 5) an accounting firm does the taxes for XYZ corporation _____
- 6) a salon cuts people's hair _____



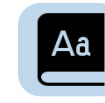
Share It

Think of a product you could sell. Write a description of the product and then list the three unique value propositions that would convince a client to choose your product over another.



Business Problem Solution

Write a script for your elevator pitch to the potential client. Make sure it does not go over 3 minutes. Present your pitch to a partner or instructor. Focus on emphasizing the unique strengths of your product.



Lesson Vocabulary

lead	a person or business that might become a future customer
sales conversion	the process of making leads into customers
consumer needs	the specific things the customer needs in a product
sales cycle	a process to guide people from being leads to being long-term customers
salesman	someone who sells a product
CRM	customer relationship management; technology that manages customer data
referrals	when someone recommends another person as a potential customer
to close a sale	get the person to agree to buy your product
to qualify	process of determining whether someone will be a customer
to pitch	a short monologue where the salesman explains the value of the product
retention	getting multiple purchases over time from the same customer
objections	problems the lead has with the product or price
manage expectations	to influence what the lead believes they want and need from the product
prospecting	looking for people or businesses that would make reliable leads
elevator pitch	a short pitch that can be communicated in under 2 minutes
unique value proposition	the specific things that make a product special and unique
sales representatives	someone who manages sales in a business
B2C	business-to-consumer
B2B	business-to-business
commission	the percentage of a sale that is paid to the sales representative

Self-Check

On a scale of 1–5, how confident are you in your ability to complete the lesson objective? 1 means not confident at all. 5 means very confident.

___ I can identify and implement the different steps of the sales cycle.

Lesson 2 Sales Strategies



Objectives

At the end of this lesson, you will be able to say . . .
“I can use appropriate sales strategies to achieve my sales targets.”



Business Problem

You work for a food delivery company. You have a potential client who owns a wedding planning company. The client is worried that your service is too expensive and cannot guarantee on-time delivery. The client is also worried that the special way they serve food does not work with the all-at-one-time delivery model your company has. They are thinking of going with a competitor who has slightly lower prices than you.



Definition

There isn't a one-size-fits-all approach to sales. Salespeople need to tailor their **sales approach** to the strengths of the product and the needs of the client.



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