3 Telephone Business Development Goals Every Firm Should Have

By Bob Howard

Developing new professional services business with the telephone is different from the classic product sales rep who "dials for dollars."

The product sales rep typically looks for a transaction. The messaging in voicemails and emails is benefit-oriented and often is packaged as, "ours is better than theirs," with attachments to prove it. Upon making a sale, the product is typically "owned" by the customer, who can lose confidence in the sales rep, but will continue to love the product.

With professional services, the sales cycle typically lasts longer and the messaging is more educational, with attachments about industry issues. In many cases, what is being sold and the relationship are viewed as one and the same; in effect, the sale never ends. Despite these differences, the principle of territory is as important and works the same for product reps as it is for business developers.

To determine whether this article has any value for you, answer these questions about your current business development program.

- Does most of the development history for a territory leave when the current "caller" leaves?
- Do opportunities "in play" get lost when staff changes? (For instance, the "Call me back next month" ones.)
- Do new developers spend their first days in the territory cobbling together a list to call from scratch or from electronic or paper remnants?
- Do developers (and the company) have a long term view of developing new relationships and a way to measure and monitor that plan?
- Do new developers call companies that had been previously called and correctly labeled as not appropriate?
- Do new developers know if a colleague is calling the same company, or worse, calling the same person in a company?

If you answered yes to one of these, you have room to improve your new business development program with a better territory development approach. If you answered yes to more than one, you have a mess on your hands. This article can help.

The challenge is to design a territory development plan that has three goals:

1. To give business developers the right amount of targets. This is based on how much effort the developer is expected to apply towards generating new clients from it.
2. To develop a list that will, over time, only have qualified targets.
3. To maintain a database of targets that is centrally controlled.

Goal #1: The Right Amount Of Targets

The simple answer to doing this is finding the number of targets a developer can pursue in a year. No more, no less.

As a practical matter, there are only so many dials a developer can make per year, (even though many managers believe differently). And the number of those dials determines the number of targets (a.k.a. territory size) a developer can handle.

As an extreme illustration of this issue, if a business developer could make 5,000 dials a year, the territory should have somewhere in between 5,000 names they will call only once and one name they will call five thousand times.

So, the question is how to determine "somewhere in between." The answer is arithmetic. Six numbers will illuminate this issue.

1. The first number is *how many minutes a day* the developer commits to prospecting. In our sample chart below, we will start with a commitment of one hour per day. A better goal, however, is to commit to the pursuit of a specific number of targets each. Time commitment is good, but the number of calls per week is better.

2. Next, let's determine *the average number of calls* in our ideal pursuit of a single target (before we recycle them for another pursuit later in the year). Typically, the maximum number of times to call is determined by the point of diminishing return, or the point at which it makes more sense to call someone new than to call this target one more time. The average number of calls is usually less than the maximum since you do reach some people, plus you sometimes connect on the first call. In our example, we call 4 times maximum but the average is 2.5.

3. The next number is *the average time spent* in the pursuit of one target. This is the number managers get wrong most often. In a given hour on the phone, other than dialing the phone and leaving a voicemail (or having a conversation) a developer is often required to do other things before they can make another call. These include recording what happened, setting the time for the next call, sending an email, putting the record away, getting the next one, reviewing it's history... paperwork, mostly. In our example, we will use a number from our observation of business developers; six minutes on average per target

4. Now, an easy one, *how many days a year* does our developer have available to make calls? We exclude vacation days, company holidays and days spent training forums. In our example, we expect 220 days of prospecting for new clients.

5. Now, *how often per year* do we want to pursue a target? For some services, it is smart to call every quarter, for others once a year is frequent enough. Every service and market is different, but you must have a best practice which defines frequency. We will use twice a year.

6. Finally, *how good is your list*? Our final number is the percentage of names that need to be replaced from the developers starting list. In the ideal list, there would be no company that does not fit the profile of a perfect client. (That list is actually a goal of territory development, which is covered next.) Count on replacing a certain percentage of targets as the year progresses. We assume, here, one out of four names will be replaced.

Number 1 (N1)	Cold Calling Minutes Per Day	60
Number 2 (N2)	Average # Of Calls Per Target	2.5
Number 3 (N3)	Average Time Per Call	6.0
Number 4 (N4)	# Of Cold Calling Days Per Year	220
Number 5 (N5)	# Of Times A Target Will Be Pursued Per Year	2.0
Number 6 (N6)	% Of Replacement Targets Needed To Keep The Calling Pool At The Right Level	25%

The math works out this way:
Number of Leads Per Year Per Developer = ((((N1 * N4) / N3) / N2) / N5) * (1 + N6)

Plugging in the numbers from the chart above, you get:
550 Leads Per Year Per Developer = ((((60 * 220) / 6) / 2.5) / 2) * (1 + .25)

The most common reaction to the calculations is, "that's not a lot of targets." Our response: the math is the math, select targets with care. The goal of assigning the right number of targets is achieved by using simple math to get a good "compass reading" on how many targets can actually be pursued in a year by a typical developer.

Goal #2: A List Of Only Qualified Targets

That is to say, I know that every target on my list (a.k.a. my territory) is a good candidate for us to do business with. Not because they fit the "profile," but because someone in my company has spoken with someone at the target company and has qualified them, if only at a cursory level.

The implication here is that someone also spoke with a lot of companies that are not qualified in order to "cull" the territory down to these of higher value.

Conceptually, here is how this works. In the first year I call 900 targets; I disqualify a third, qualify a third and don't determine what the other third are. Next year, I now have 300 qualified targets, 300 I didn't make a determination about last year, and 300 new ones. Of the 600 not qualified, I disqualify a third, qualify a third and don't determine what the other third are. And so it goes every year until the preponderance of the targets I call are qualified.

As a practical matter, you will not reach the goal of a 100% qualified territory. The reason is that you cannot work a list of that many qualified targets by yourself - your list of legitimate opportunities would be bulging. Your territory would get divided up because you don't have the bandwidth. The real goal here is to have a way to get to the goal. And, that brings us to the third overall goal.

Goal #3: Targets Are Centrally Controlled By Management

For a lot of companies, not controlling their prospect database is very, very expensive. You know who you are from the opening questions.

Rather than give a new developer a wide open territory and the admonition to "hit the phones and start some relationships," wouldn't you like to say, "Here is a territory just for you. We have been qualifying it over the last few years. Pick up where the former business developer left off."

To sharpen the issue a bit, even if you own your database, you may not have control. Just because you have thousands of names in your CRM (or equivalent) does not mean you control what is done with them, when or how. You have an electronic storage device, but you don't really control the pursuit of those targets.

Real control would be to hold developers accountable for the pursuit of each target assigned to them in a "Best Practice" you design for how you want them pursued, (both short term and long). And, in return, assure the developer that they can work that list exclusively.

Best practice in using the telephone to develop business is defined by three questions:

- How many times to call in a row before you reach diminishing returns and should put this target away for a few months?
- How frequently to make those calls in a row? (Weekly is most common.)
- If you put them away to call later, how long is that? Three, six, or twelve months?
- Companies should, and can, implement a sustainable, consistent prospecting program that business developers will adopt. If telephone prospecting controls your destiny, you should investigate a better way to control your telephone prospecting. The end result might just be a territory development approach that will pay dividends quicker, and for the long run.

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