



## Treat Your Prospects Like Customers and Your Customers Like Prospects

In our first series we focused on some (biased) "laws" (okay, "principles" if you prefer) of marketing and sales which we think, based on our experience, help improve those processes. You can grab that full series directly by clicking on "Carlson's Laws -- The 5+3 P's of Marketing & Sales" on our home page (<http://www.kestrrelmarketing.com/>), if you're interested...

Buried in there is a philosophy which we evolved into and operated under for a while mostly by instinct but which one day was so excellently wordsmithed :) into the title of this post. (Yes, that's us patting ourselves on the back for coming up with a 10-word statement... sorry, starved for recognition I guess...)

In this series of posts, we'll explore what each half means and then how they connect to add up to more than the whole.

In this setup to the topic, however, we want to focus on the most innocuous of the words:

"and."

The customer acquisition process is often separate from customer retention initiatives -- a logical break in the scheme of things... and in the services businesses in particular, translating into the whole "hunter vs. farmer" thought process. A fair division because it reflects a fair difference of activities as well as types of people capable of each activity -- not going to dwell on that but we all know some salespeople who would not be so good at managing a client's day-to-day needs and conversely some excellent customer service reps who wouldn't be successful drumming up new opportunities.

But we think that there is a benefit to each function embracing strategies and tactics applied by the other.

We have previously argued that a benefit to establishing an ongoing relationship with a prospect is that you are visible and known in advance of opportunities arising and that the best way to build that relationship is to treat the prospect like they are already a customer. We'll expand on that as we go along here but in a nutshell, staying close to the prospect, providing some sort of value in the communications, being responsive and even proactive in providing them with information or other needs -- training/conditioning



them to be the customer you hope (intend!) them to be by demonstrating in advance the value of working with you.

That process is a sales process because the prospect is not yet a customer but the process is ever so much the same as good client retention initiatives, right?

Our "hunters", however, are tasked to bring in the business as quickly and as often as possible, and unfortunately there are some that think an ongoing investment in a prospect who doesn't engage immediately is wasted effort. So the result is flitting from flower to flower and missing the payoff of the 3 P's from our prior series -- Persistence, Persistence and Persistence.

On the customer retention side, there's no arguing the benefits of simply maintaining ongoing sales with a current customer -- satisfy them, deliver quality and value, keep them close and try to connect in so many ways that it becomes challenging for a competitor to break all the bonds.

However, current customers should also be the number one target for additional sales -- they're accessible, their wallets are already open to us and we have credibility (hopefully) by having demonstrated results.

So we say "retention" but need to include "development" -- maximizing our relationship by providing as much as we can of our products or services and as we'll explore later, creating NEW products or services where that makes sense.

And doesn't that sound like a sales process? You betcha...

The client service team needs to have at least a little bit of a salesperson mentality, or optimally, draw from the salesforce to make sure that perspective is appropriately represented (leveraged!).

Back to "and"...

Embracing this thought process and improving either half of the concept is a win but seeing them as two sides of the same coin and finding ways to integrate them is where one plus one will equal three.

Which leads to the teaser that our future posts will share ways to drive and manage this overlap in a controllable and perhaps most importantly, a proactive fashion!



## Treat Your Prospects Like Customers...

We predict that the initial reaction to this is that it's expensive (impractical!) to invest in delivering continuing value to those who aren't compensating you...

Fair point! But we'll use this post to suggest you make sure to run the numbers – actually, *two sets* of numbers – before you commit to that line of thinking.

First, the reality of sales is that it's about losing. Now before everyone jumps on that, my point is that on any given day, there are lots of people (the majority) who you call prospects that aren't really prospects on that day. And for the small percentage that legitimately are prospects in some “near future” (subjective thing), you're not the only potential supplier.

Just for example, let's say you've identified 600 targets who are potential customers of whatever it is you offer (picked 600 to make some math easy). And how often do they buy what you sell? Let's say once per year? So on the average, roughly 50 per month of that 600, call it 1 in 10 are in a buying frame of mind. And in some cases, the majority, perhaps all, of that 50 already have resources (current/preferred vendors).

Does anyone really know which 50 in any given month? Typically not. Is it even possible? Sure! ...provided you're touching all 600 each month. But if you're touching 100, the odds are against you – you might find 10 (i.e. 1 in 10 is “shopping”)?

(And if you haven't been staying in touch, then no matter how many you find, you are starting stone cold in the process... More on this later.)

So, what's your current success in closing business? I.e. quantities at each stage in your “sales funnel” or “sales pipeline” or whatever term you favor. Not what you want it to be but the realities of what actually transpired.

Look back and consider how many went from target to prospect, prospect to sales presentation, sales presentation to actual proposal/quote, and proposal to business (and when we get to “Treat your customers like prospects”, we'll be asking about repeat business and increased business, but not there yet!). If you don't know these stats now, then start keeping track – provides a basis for considering the rhythm of your sales process (note: not saying “*success* of your sales process” since no matter what it is, you'll always want it to be better and it's not an absolute thing!).

So this is not the place we'll explore process but rather to illustrate a reality of prospecting – need to identify the *legitimate* size of the prospect pool and establish *realistic* expectations of closing business.



Just because there are 600 possible customers does NOT mean there are 600 IMMEDIATE customers, and you're not alone in your market...

So once you've looked at all that, you can establish some realistic expectations for the process but what we hope you'll take away from the exercise is an understanding that those 600 possible customers ARE 600 possible customers – just not all at the same time!

Which leads to the second set of numbers which is the cost to chase just one target who happens to be in a buying frame of mind and the waste of that investment if you lose the business and simply bury the file (i.e. everything you learned, the thought process leading to the proposal, the presentation itself).

We suggested previously that if you have reason to chase a particular target, then there are probably others just like that target who may be of equal interest – for B2B services companies the best example is that target's competitors.

They're all in the same market, facing the same challenges, operating in some similar fashions, so what you know about one is really a good start on knowing something about them all. So don't target one and walk away – well, NEVER do that ANYWAY – but identify a “constellation of prospects” which includes targets sharing common business characteristics.

And chase them all.

Which means that whatever investment you've made, and continue to make in pursuing them, is now amortized across them all. And while they aren't all prospects at the SAME time, odds are that over a year's time (or whatever period is typical for them and you) they will *eventually* be prospects.

So failing to get one of them simply means you're smarter for the chase of the rest. And staying close to them all makes you smarter and more prepared to respond to (even anticipate) opportunities.

We'll stop here with plenty to think about and in our next post dig a little deeper into the “constellation of prospects” thought process!



## How to “Treat Your Prospects Like Customers” Efficiently with “Constellation Prospecting” ...

We’re advocating a business development philosophy that neatly rolls up into one statement – “Treat Your Prospects Like Customers and Your Customers Like Prospects” – and we think applying these principles consistently will translate to success.

How you go about it will differ according to your product or service (e.g. cost, frequency of purchase, sales cycle and more), your market and your customers, your competitors, the size of your business and a range of other factors – sorry, probably not a “one-size-fits-all” recommendation we can make though there may be one component which applies across the board.

Investing in treating prospects like customers is (understandably) likely to be a sticking point for some but as we suggested in our previous post, there’s a way of approaching it which we think balances benefits with costs.

First recommendation – don’t ever limit your efforts to one prospect at a time.

### “Constellation Prospecting”

We gave it a clever name but it’s really pretty fundamental...

Particularly in B2B, when we talk about prospects we often think of individual names – a particular targeted company. Often it’s a reactive, or to make that a positive, “opportunistic” sales situation – we become aware of an opportunity or make a connection and start to pursue it, or whatever. And with whatever little advantage we feel we have, we chase that one opportunity to its conclusion – or at least attempt to...

What often gets lost in that quest is the fact that for every one prospect there are X number of others just like them. Take power tools, for example, where there’s Bosch, Skil, DeWalt, Black & Decker, Milwaukee Electric Tool, Ryobi, Makita and more. So if you find yourself with an opportunity to penetrate one of them, and if you’re committed to one of the 5 P’s we suggested in our previous series of posts – Preparation – then you will become the most current source of information for their entire category... well, for a short time, at least!

Why waste that?



While one of these prospects in the “power tool constellation” may be somewhat open to your advances, the rest would require some work – nobody said it would be easy! But as you gain knowledge about their category, challenges and opportunities, you’re in a position to ask for a meeting to share rather than sell.

Which leads to the point of treating your prospects like customers – provide them some value in advance, treat them as if they were already a customer by offering your expert, experienced perspective of their world.

Of course, we understand you cannot dedicate major amounts of time or capital providing pro bono services to prospects, and calling it “marketing” or “selling” expenses often doesn’t make you feel much better. However, we think there are some examples of activities which aren’t necessarily demanding in terms of either effort or money and yet which can keep you in your prospects’ minds over time.

### **Be an “expert”**

Someone needs to stay on top of that prospect constellation, look for info about them on some regular basis, be in touch with changes (new people, product launches, etc.) – we can debate marketing vs. sales functions some other time but this might be a support staff responsibility or a salesperson charged with pursuing these targets. (Yes, in a business with geo-based sales territories this may be an issue, but let’s not dwell on that.)

Easy enough to do these days via online efforts, subscribing to some online or print publication, maybe buying some industry research (the smaller cost ones!), and perhaps for retail products needing to add an occasional store walk in there. All in all, an hour or two per week and some minor cash expenses might be all it takes to extract a few interesting nuggets to work with.

Being on top of changes in the market dynamics those prospects are facing combined with being on the outside looking in can be spun into an “objective” commentary and perhaps some thought-provoking ideas or questions.

And that can be turned into content for emails or e-newsletters or even plain old mailings. BTW: we’ll comment on “the rhythm thing” below but just to make the point, we mean doing this on some reasonably-paced recurring basis.



Interestingly, we often make that investment one time when we're pursuing one target and we bear that cost as a selling expense (whether cash or salaries) – and we grunt when we don't get the business.

So, divide those costs by 5 or 10 and see if you feel differently? Perhaps you'll feel better being a (limited) expert while you chase multiple targets.

### **“The Rhythm Thing”**

In our previous series we talked about the most important 3P's of marketing and sales – Persistence, Persistence, Persistence. We think a core component of Persistence is yet another P-word – Patience.

For constellation marketing to work, a tactic like “be an expert” needs to gain traction and that takes some time. So you need to commit to the effort and be realistically patient about the outcome.

The good news is that looking at a constellation of prospects means your odds of success should be improved and if you're diligent in your efforts, you should be confident that success is "not if, but when."

But it won't happen overnight and it won't happen without a consistent effort. Haphazard activities might work, though a regular series of haphazard activities is in fact sort of a rhythm in itself, but what we're talking about here is planned, budgeted (time and money) and thoughtful. Program the organization to support this effort, don't make it “when we have time” since that's all too often the kiss of death.

And then reserve judgment on results – any process should be reviewed regularly in some fashion but lack of sales results in 30 days, even 90 days, might be too quick.

We'll stop there (whew!) and next time we'll bounce over to the other side of “and” to look at “treat your customers like prospects” – though you probably are already making the connection



## “Treat Your Customers Like Prospects” – Avoid The “We Start Losing Customers The Minute We Sign Them” Syndrome

It's so easy to use dating and marriage to explain our point that we're going to use it, though we offer an advance apology to those husbands, wives and partners among us who did better making that leap than we did – we don't mean *you*... :)

So if we on the selling side think of the sales process as a courtship, we all pretty much get it – we're on our best behavior, doing what we can to “connect”, we are ever so polite, personable, accommodating... punctual, even... Everything we do to win over a prospect gets a little extra scrutiny; we look for ways to turn good into great to make an impression; we even pick up the tab most of the time!

Then they sign the contract or issue the purchase order and we get down to business. But things change as we shift from finding common ground in terms of goals and commencing a relationship to becoming, well, more selfish when it comes to our individual interests. With all due respect to the idea (and philosophical benefits) of customers and vendors being “partners” who share in both good and bad times, as a practical matter there is a line drawn.

Customers expect to get their money's worth (and then some) *no matter what*, while vendors attempt to deliver on their promises, achieve customer satisfaction as efficiently as possible, and spend, well, the least they can to do so (note: when we say “least they can” we of course simply mean striving for the targeted, estimated cost – certainly not suggesting intentional corner-cutting to the detriment of customer satisfaction).

So that's quite the challenge as “customer service” (going by whatever name fits your environment) picks up relationship responsibilities from the team that drove the selling process.

In a “hunter/farmer” environment, the farmers take over from hunters including a salesperson, probably some help from others, and for larger programs some participation from senior-level folks. In organizations where the salesperson is also the “account manager” responsible for driving the work as well as the relationship, the mentality shifts similarly.

And that's where the trouble... oops... opportunity begins.



We move from selling to servicing – a good thing, of course, as we must Perform in order to Parlay (see our previous series of posts to get that reference), but in that transition we tend to stop thinking in terms of what to sell, or more to the point, what ELSE to sell...

And we move from offense to defense as we do what's needed to retain the customer since, of course, nobody ever wants to lose one.

So...

**Maintain a selling attitude... always!**

First things first: some prospects may not be customers but all customers continue to be prospects. Maybe make that your screensaver? ;)

A simple way of driving a business development strategy and its tactics might be:

- 1) Find ways to sell more to your existing customers – they know you and their wallets are already open to you.
- 2) Find more customers in your core area – leverage your history, experience, expertise and successes to sign more customers just like the ones you have.
- 3) Find new things to sell – could be new products and services to existing customers or new products and services for new customer segments, but either way, stretch yourself.

And that's in our priority order, so you see we're passionate about making the most out of existing customers!

In particular, our most annoying pet peeve is when a current customer goes elsewhere to get a product or service we offer. And adding misery to injury, when we say "we do that, how come you didn't call us?", they say "gee, sorry, we didn't know that."

No excuse there. It's OUR job, not the client's, to make sure they know what we do. We failed to continue to sell ourselves to our client.

Here are a few things you can do to (hopefully) prevent this somewhat embarrassing moment.

One is not really selling – more about "building awareness." For example, regular newsletters about your company's recent activities, successes, changes, product launches, etc. Expose them to what else you're doing via actual accomplishments.



Another idea – regular client meetings to review the relationship. E.g. quarterly roundtables to look at past and present in terms of accomplishments and effort and then a look-ahead to better appreciating the customer’s challenges and opportunities. This meeting is an opportunity for “what’s new with us” as well as potentially providing info which can lead to recommendations for additional products or services that will contribute to the customer’s goals.

The last idea is a little more about selling in that it is about blatantly, obviously looking for more to do for them. In a nutshell, pretend they are NOT a customer and go through the same Preparation (again, seek prior series) you would if you were targeting them for the first time.

Should be quicker this time, of course, but don’t cut corners – reinvest in them by offering perspectives about their challenges and needs which you can contribute positively to.

### **Be smarter, run out in front of the customer**

Stay smart about your customers market, *their* customers, challenges, opportunities, competitors, threats, etc. and pepper them with observations accordingly.

Over time, odds are you’ll uncover important insights before they do and at some point they’ll appreciate that you are experts in their market, and they’ll recognize the learning curve challenges they would face in switching resources.

Allocate a share of their revenue to investing in speculative activities on their behalf – maybe an initiative you simply commit to on your own (surprise them!) or in other cases offering to let them pick a topic. Either way, show you’re investing in the relationship.

Again, whew! There’s actually more to say on this, but we’ll stop here. We’ll review where we are in this series so far, and next we’ll provide a high-points summary – from which we’ll figure out where to go next!



## Topic Reset – “Treat Your Prospects Like Customers and Your Customers Like Prospects”

In this series of posts we've been exploring a business development philosophy which we came up with based on experience, based on seeing what has worked and what hasn't in customer acquisition and retention efforts. We didn't start with this, we evolved into it – which is code for “we learned it the hard way.”

We aren't actually asking you to implement any of our specific tactics – everyone needs to try different approaches and go through their own learning process. However, we're hoping that the overall idea, the philosophy we're suggesting, will save you some pain!

We've suggested that applying the point on either side of “and” is a win (pick one and get it right before tackling the other, if that's easier for you!) but that the two thoughts are most powerful when taken together.

We shared some thoughts about the idea of treating prospects like customers and in particular, time- and cost-efficient strategies and tactics which might help you resist a predictable reaction about investing in “not-yet-clients.” Or at least a new way of looking at your investment in business development.

We flipped to the other side of the “and” to remind you that a client is still, and always, a prospect and it's not their job, it's yours, to find ways to be of more value, to generate additional business with them.

What's left?

Leadership. Standards. Expectations. Positive reinforcement. Support.

All important, actually critical regardless of approach but particularly important when you're trying things which aren't “typical.”

But most important, we think, is...

### **Process**

*(Yet ANOTHER P-word, you say! Just when you thought we were done with the P's!  
And if you don't understand the reference, take a look at  
<http://www.kestrelmarketing.com/CarlsonsLaws--The-5Plus3-Ps.pdf>)*



We are notorious for hating structure (because it's subjective and because it's too often thought to be a solution rather than just a tool) and cookbook recipes for business problems (because it always makes everything sound simple while conveniently ignoring real-world challenges and limitations)...

Too much info, there? Sorry, our bad, shouldn't be writing this on a Friday! ☺

(You'd like to hear more, you say? ;) Next series, maybe...)

Anyway, the point is that when WE suggest "Process", that's something to be considered!

Here's the thing – if you make business development a back-burner activity, then you're destined to suffer the fate and uncertainty of luck, coincidence and constant "what if" second-guessing...

Bad plan.

So program the organization to insure that these activities are appropriately prioritized and acted upon.

For example, want to develop *new opportunities with existing clients*? Set up a once-per-month "client development" lunch meeting including the account team (or select members of it), a salesperson or two, and whatever other functions make sense – and brainstorm ways in which to maximize that relationship.

NOTE: all too easy to fall into status reports, a look at history, maybe dwelling on challenges working with the client and so forth – stop that talk immediately, not the point of these sessions. Adopt the mentality that you're discussing a prospect and exploring ways in which to secure new business – get everyone's head on straight.

And if you're thinking that the same principle could apply to strategically pursuing *new customers*, then you've definitely been following along! So... One of *each* per month! (A great example of leveraging a similar process to address the concepts on both sides of the "and.")



Make these important, don't juggle the dates unless absolutely necessary. Firm up predictable days each month (e.g. the first and third Wednesdays), publish a calendar of which clients/targets come up when.

Make it part of the everyday experience, take the anxiety out of it, make it fun, exciting, a contribution to the company's success.

Should have people wanting to participate (as opposed to trying to find ways not to, as they will in the early stages).

Commit! Including senior management – they need to demonstrate by example that they're bought-in to the process, that it's important to the company's success, that it's a positive activity.

And apply this sort of thinking to everything that's important.

Treating things as reactive makes everything unimportant, and growing the business is simply, in our opinion, ALWAYS the #1 most important priority, so... commit!

We'll let you mull that over but at this point, it's probably the case that you're *in* or *out*. And that's cool with us – not expecting 100% agreement – but even if you pick a little here and a little there, we'll chalk this up to being worth the effort!