



PETRA PEOPLE

5 WAYS LEADERS CAN ACCELERATE THEIR
BUSINESS' SALES CYCLE





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LIFE LESSONS for BUSINESS OWNERS

BUSINESS LEADERS MUST PAY CLOSE ATTENTION TO HOW THE SALES CYCLE AFFECTS THE COMPANY'S CASH FLOW AND FINANCIAL HEALTH

Entrepreneurs and CEOs play a vital role in growing revenue and profits for their companies, yet there's one important area that often gets overlooked when maximizing cash flow: the length of the sales cycle.

The sales cycle is the step-by-step process all businesses use to identify and guide prospects from initial contact to final purchase and payment. The shorter the process, the better the company is financially because less cash is tied up in working capital to fund operations. The longer the sales time frame, the more cash is needed to pay the bills.

Poor cash flow is the leading cause of failure for small and medium-sized businesses (SMB). In fact, poor cash flow management contributed to SMBs going out of business 82 percent of the time, according to a survey by U.S. Bank.

For leaders not experienced in sales, managing – and shortening – the sales cycle can be challenging. Here are five tips to close more clients faster:

1. BUILD A DREAM LIST OF CLIENTS

Too many businesses have a sales process that goes something like this: Reps are handed a random list of prospects and told to go out and sell. And in their quest to meet a quota, the sales team doesn't vet the leads, so they end up bringing in too many less-than-desirable clients.

Here's a solution: Build a "dream list" of clients whose needs best match your product or service. Examine your current client list and identify common reasons as to why they chose you and not your competitors. Compare those attributes to the prospects you're working. Sales reps will close faster when they have a clear profile of their "dream client" – and prospects will buy faster when their needs best match the seller's profile.

2. CREATE A WRITTEN PLAN FOR YOUR SALES CYCLE

There are two things you need to know when you're planning any journey: where you are now and where you want to go. If you don't have a written sales process, do it now. It will help your sales team stay on task as they work with prospects.

While every sale is unique, the process should be repeatable and scalable. Additionally, writing down the process will help your sales team recognize and remove roadblocks that cause the cycle to lengthen, such as too many requests for modifications to the contract, product or scope of service. There's no silver bullet that can shorten a sales cycle, but anticipating speed bumps and having strategies to get around them will help close more clients faster.

3. KNOW THE DECISION MAKERS

It's virtually a given that more than one person at a company will be involved in the decision to purchase your product or service. And it could be a team vote – the Harvard Business Review noted that there is an average of 6.8 people involved in any B2B purchasing decision. Sales reps must understand the roles and motivations of all key individuals involved, anticipate their needs and provide meaningful information that will facilitate the prospect's purchase.

4. AGREE TO A PURCHASE TIMELINE EARLY IN SALES DISCUSSIONS

Every written sales cycle should outline timelines and milestones, including deadlines for product/service delivery and, where applicable, installation, implementation and client onboarding. Your reps should work closely with prospect decision-makers to build a timeline that all parties can agree to – and then stick to it as closely as possible.

5. AUTOMATE REPETITIVE TASKS

A top sales rep may spend several hours every week sending emails to prospects, following up on previous discussions, inputting data into a CRM, writing proposals or preparing presentations. That's precious time they could spend establishing and strengthening relationships with prospects and closing on new clients. List all the key tasks your team does repeatedly and look for ways to automate those activities.

Improving and shortening the sales cycle will improve cash flow and have a dramatic effect on the financial health of your business. Follow these tips and you'll get paid faster and improve the productivity of your sales team.

This article originally appeared in BOSS Magazine.

THE PETRA EXPERIENCE

The Petra Experience is like a Mental Marathon of focused effort to create a specific set of priorities and a planned process to achieve them... as a team.

Looking to change your business life - forever?

The daily grind of growing a business is tough... it doesn't have to be that way. We work from our own business experiences while focusing on your business – as coach and an accountability partner. We implement the Petra Process in a way that ensures it "sticks" then we stay engaged to keep you on your path to success and less frustration. We don't want this to be just another thing you start – then it gets ignored and finally dies... let's stop that cycle in your business. The Petra Program 'clarifies' what is most important to be done – by whom, by when – **AND** creates an accountability structure to ensure **IT GETS DONE.**

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