

Are You Insane? Four Steps to Improve Your 2008



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Albert Einstein once said that the definition of insanity is “doing the same thing over and over again expecting different results.”

I see many sales reps every year. Those that I see are generally the elite as only approximately 10% do anything in a given year to improve themselves. Unfortunately, even among that group, there are some who attend our workshops and never really invest the time to implement what they learned. Steven Covey, author of the book, *The 7 Habits of Highly Successful People*, says that it takes 21 days to make a new habit or break an old one. Trust me; I know it's not easy to do things differently. But I'm not in the *easy* business; I'm in the *success* business.

In last month's newsletter, I talked about using the week between Christmas and New Years to recharge your batteries, take a look at your performance in 2007, and set your goals for 2008. This month, I'm going to help you take a closer look at how not be one of the insane, but one who is willing to pay the price of success. It will take some effort, so if you're not one of the 10%, do yourself a favor and don't bother reading on. (Was that brutally honest enough?) But the rewards, ah the rewards - well, you know where I'm going with that – it is worth it!

Here we go!

First of all, if you're like most of us (if not all of us), your target for 2008 is going to be bigger than it was in 2007. It's a fact of life in business. After the pats on the back (and hopefully a bonus or large commission check) for the great job you did last year, comes the dropping of the 'other shoe', as they say. Even if you run your own business, the message is the same; you're just delivering it to yourself! So after you pick yourself up off the floor – you did work pretty hard last year didn't you? It's time to start looking at how you're going to accomplish the new challenge.



If you'd like a calculator to help through the process I'm going to describe, go to the resources page of our website (www.caponipg.com) and download Activity Calculator. It will help you determine where to focus your efforts in 2008 to become a more efficient and effective sales person, and it will also show you exactly what you need to do *each and every day* to hit those goals. Do *you* know how many Initial Meetings or dials you need to make today to hit your number? The best of the best do.

Step One - How'd you do in 2007?

The first thing I'd suggest you do is to take a look at the 'anatomy' of your numbers for 2007. I like to take them and create measurable RATIOS out of those numbers. It *is* a numbers game at the end of the day, but we also believe it is the *RATIOS*, or how those numbers relate to one another, that tell the real story.

Here's what you need to ask yourself:

1. What was the average size of the deals you closed in 2007 and how many of them did you close?
2. How many prospects (serious sales opportunities) did you have to generate in order to close that many?
3. What was your average buying cycle length? Measure this from the date of your initial face-to-face meeting (IM) unless the opportunity went dormant for some period of time. If it did, use the secondary IM date you got the prospect to begin looking at your solution in earnest.
4. How many Initial Meetings (IMs) did you go on? Compare this to your number of closes to get your CLOSING RATIO. Some people will measure this as proposals to closes. You'll find that if you do this the way I'm suggesting, you can more easily take a snapshot of your progress at any point during the year by simply looking at how many first appointments you've got on your calendar.
5. How many phone conversations did you have to have in order to generate those Initial Meetings? (This is your APPOINTMENT RATIO.)
6. How many times did you have to dial to get the person on the phone you wanted to set an appointment with? (This is your CONVERSATION RATIO.)
7. Finally, where did the leads come from that became closed business?

Step Two - What are your options to improve upon the results?

The good news is that you're now on your way to figuring out what your options are to meet your new goals for 2008. All you need is that new sales goal. Once you know that, you can now start to examine your options in a quantifiable process. For the purposes of this exercise, let's assume we want to increase our sales by 20%.

There are really only five separate ways to increase your sales by whatever that goal is (other than finding better leads). Your objective is to figure out how to work smarter in 2008, not necessarily harder (unless of course, you *are* insane). After all, as much as I



hope you love what you do for a living, there is more to life than working.

Here are your choices:

1. Increase the number of dials by 20%
2. Increase the CONVERSATION RATIO by 20%.
3. Increase the APPOINTMENT RATIO by 20%.
4. Increase the CLOSING RATIO by 20%.
5. Increase the average size of your sale by 20%.
6. Find better qualified leads.
7. Find a combination of the above steps that equal 20%.

Step Three - Determine the 'what' you're going to attempt to improve.

1. Play some 'what if' games with the Activity Calculator. Change some of the RATIOS in the spreadsheet. If you increase the ratio of dials to conversations by 5% for instance, what does that do to the number of dials you need to make?
2. Take a look at your buying cycle length. What could you do to shorten them?
3. Now take a look at where you're getting your leads. Are they of a quality you need? Could you reduce the number of dials you need to make if you had a better qualified universe of suspects? Do you know how many you need? Is there a way to supplement that process if it's good? Replace it if it's not?
4. Normally there won't be just one area you choose to improve. But be careful; don't bite off more than you can chew. And if you're looking for the place to start, the earlier in the sales process you improve your ratios, the more leverage you'll apply across all your efforts. Download our White Paper *Is Cold Calling Really Dead? Searching for the elusive 'Silver Bullet'*.

Now that you know 'what' to focus on, you've got to ask yourself 'how' you're going to improve it. If you've chosen any of the steps other than find better qualified leads, without sounding too self-serving, we can help you improve the appropriate skill set necessary to improve each of those RATIOS.

Step Four - Take action.

We've been doing this for quite a number of years. Our methodologies and techniques, although adjusted for changing times and technology, are proven. I would obviously love to be the one you choose to help you be more successful in 2008. However, there are other methodologies that also work. I encourage you to pick one, work harder in the beginning to implement it, and then enjoy the benefits of working smarter for the remainder of your career!

Good selling and Happy New Year!

