How to Qualify Customers

A Powerful Strategy for Managers and Salespeople

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Seven powerful qualification steps

1. **Figure out which conditions pose the greatest risks for achieving a successful sales outcome.**
   This paper shares biggest sales risks you're likely to find.

2. **Convert the conditions into qualification questions.**

   There are ***Four Green Lights*** for qualification when the answers to these questions are *yes*: (the first letter of the subject for each question spells the word "*S-A-F-E*")

   Solution Fit: *Does my prospective customer have a strategic challenge or operational issue that can be solved using my product or service?*

   Access*: Can I get access to the person or people who have the authority to commit and spend the financial resources to procure my product or service?*

   Financial Resources: *Will my prospective customer have the financial resources to pay me what I am likely to charge for my product or service?*

   Expected Timeframe: *Will my prospective customer purchase from me within a timeframe that matches my planning horizon?*

3. **Break the qualification questions into smaller ones.**

   Maintain a portfolio of strategic and operational questions to uncover the answers to your qualification questions.

4. **Figure out your *risk appetite.***

   How much sales uncertainty can you or your company accept before you move forward with a prospect?

5. **Plan your options.**

   Evaluate the quality of your prospect opportunity, and understand what choices are available to you for managing your resources.

6. **Know where to get the information you require.**

   To get to *what you know,* it sometimes takes more than *who you know*.

7. **Know the assumptions you are making.**

   If the assumptions are significant and risky, consider asking some additional questions to change what you *assume* to what you *know*.

This paper is written for you.

Whether you sell to other businesses or to consumers, or whether your product is simple or complex, better qualification skills will reduce your frustration and improve your sales effectiveness. Why? Effective qualification lowers risk. It increases productivity. It enables you to focus your limited time on the opportunities most likely to produce the results you seek.

If you wake up every day and ask “what am I going to sell today,” you will find value in what you are about to read. Nobody needs to tell you that selling is not getting any easier. Any advantage you get could mean the difference between meeting your quarterly objectives—or not.

How to Qualify Customers provides a powerful **7-step strategy**, **real-world examples**, and **Action Items** after each step to help you use the ideas right away. You will gain tools you can use, and insight that can help you create your own best qualification practices. The result: better predictability and control over your sales. What salesperson wouldn’t benefit from those outcomes?

The time to take action is now. The late Peter Drucker said: “True marketing starts out with the customer, his demographics, his realities, his needs, his values. It does not ask ‘what do we want to sell?’ It asks ‘what does the customer want to buy?’”

What advantages could *you* achieve if your questions provided you that insight?

What is *qualification*?

Qualification enables a salesperson to uncover risks and make decisions about what sales actions to take. It’s about knowing when to walk away from a sales activity—and when not to. Asking the right questions is a paramount. But qualification requires more than just asking questions. It requires understanding the *outcomes* both vendors and customers seek, identifying *risks* to achieving those outcomes, and figuring out the likelihood of those risks.

1.0 Why Do You Need Qualification Skills?

Let’s use a scenario. It’s six weeks until the end of the quarter, and you need to bring in $250,000 to make your quarterly goal of $1 million. Your forecast is solid, but you need new opportunities to make the number. Your CRM system shows several new leads in your territory since the beginning of the month. While you’re drinking your morning coffee, you have time to call two of them.

One lead is a new Request for Proposal (RFP) from a large consulting organization representing a major company. The other is an e-mailed request for product information from a systems analyst at an international manufacturer. How do you evaluate whether these opportunities will help you make your goal? You don’t have much time—and if you chase the wrong lead, you could miss making your quota.

What do you need to know? What questions should you ask? What decisions do you need to make? Where do you start? What do you do next? *Qualification* is the process that gets to the answers.

2.0 What makes a prospect qualified or unqualified?

If our prospects could simply tell us whether they were qualified, there wouldn't be any need for this paper! How do you know if a lead is *qualified*? To find out, we must begin with a single question that uses *win/win* as the premise:

Can my company and my prospect generate mutually beneficial value?

The question seems fair, but the answer depends on asking *other* questions, which we will discuss shortly.

The objective of qualification isn't to predict the answer with perfect clarity! That's impossible. **The objective is to *reduce your risk* of discovering that the answer to the question is "no" after you have spent additional time and money in the sales process.**

What does 'value' mean, exactly?

Definition: Thing or quality having intrinsic worth. Source: Webster's New World Dictionary

In order to answer the question "*Can my company and my prospect generate mutually beneficial value?"* you must know what *value* you should create for your company as well as for your customer. In other words, what intrinsic worth is your company creating and getting back? If you sell a solution to your customer, but it doesn't solve his problem, is that valuable to him? Or, if you take time to educate your prospect about your technology, but she has no intention of ever buying from you, is *that* valuable to you? Clearly, for a prospect to be *qualified*, there must be the opportunity for value to be provided *and* returned.

Do you know what outcomes, qualities, and capabilities your prospects view as having *intrinsic worth*? What intrinsic worth do your company's customers provide to your organization? Is it revenue? *Profitable* revenue? A positive reference for another prospective client? Access to a social-network conversation? A first-time installation in a strategic market segment? If you are unsure about the answers to these questions, it will be difficult to know whether it's worthwhile to engage with your prospect—or whether he or she is likely is likely to gain value from engaging with you. You will be guessing every time you go on a sales call, instead of making intelligent bets when the odds are more in your favor.

Action item:

1. In fifty words or less, write down the value your organization provides to your customers. The best way to express value is in terms of *outcomes* your customers require. If you aren't clear about the outcome, but know about the features and benefits you provide, write those down. (You can figure out the outcome by asking, "*Why* are the features and benefits I listed important to my customer?")

An example of an outcome an organization might seek is: "Become an agile software developer by hiring and retaining the most competent software development staff in our industry."

At the same time, you must know what value your organization *seeks from its customers*, or you will not be able to qualify whether you can get it.

2. Write down what value you want from your prospects.

The specific value that you want from your prospects might vary, depending on the opportunity. For example, "value" can be:

- Revenue
- A reference or endorsement in a key industry you're targeting
- A target profit margin or profit amount
- A "beta" installation
- Insightful feedback on your product or service
- Access to influential people in your target industry

. . . Or a combination of any of these.

What are the steps for qualifying customers?

Recall that the objective of early qualification is to *reduce your risk* of spending time and money on opportunities that are unlikely to meet your required sales outcome. Put another way, the objective of early qualification is to *increase the opportunities* that will produce the results you want.

3.0 Step 1. Figure out which conditions pose the greatest risks for achieving a successful sales outcome.

You can greatly improve your odds of success by identifying the selling risks that have both the *highest likelihood* and the *greatest impact*, and exposing them early in the sales process. Why highest likelihood and greatest impact? Because there are so many selling risks that it isn't practical—or even possible—to address all of them. So we must concentrate our efforts on the most meaningful risks.

Several years ago, I worked for a company that provided bar code hardware, software, and services. One prospect I called on seemed to have a problem I could solve. His company's inventory records weren't accurate, and they were experiencing customer service problems because they incorrectly promised timely delivery for products that weren't in stock. I met with their managers to learn more about their operations. Their VP requested a price quote which I sent the following day. It took him three weeks to return my follow up calls. When I finally made contact, the VP responded "We never expected your solution would cost so much. We don't have the funding. Is there any way we can fix our problem without having to pay so much for it?"

A sales risk—that my prospect could not afford my solution—came true. The problem was that I discovered this problem at the *end* of the sales cycle and not at the beginning. I sent my proposal *before* figuring out what my prospect could afford, and before understanding whether I could offer the right solution given what they *could* spend. I lost the opportunity, but I learned about a large selling risk that I had to expose at the beginning of the sales process: *my prospect might not be able to afford what I am likely to charge for my solution.*

What does 'risk' mean, exactly?

Definition: the chance of injury, damage or loss; dangerous chance; hazard. Source: Webster's New World Dictionary

In a sales context, *risk* is any event or condition that jeopardizes your sales objective. That not only means losing the sale. It also means missing a forecast revenue amount, a close date, or other gap between *planned outcome* and *actual outcome.*

The opposite of risk is *opportunity*, which is a combination of *favorable circumstances*. For a salesperson, the ability to identify opportunities is just as important as identifying risk. As you will see, when you identify risk, you identify opportunity—and *vice versa*.

Once the risks are identified, how do you manage them? What decisions must be made?

There are five choices (For each one, I've provided a decision example using a credit-management scenario):

1. **Eliminate the risk**: "We require payment-in-full before we provide any deliveries."
2. **Reduce the risk**: "Each customer must pass a credit check before we ship any goods."
3. **Transfer the risk:** "We accept credit cards."
4. **Share the risk:** "We require a 50% deposit before we commit any resources to the project."
5. **Accept the risk:** "We have set up an Allowance for Bad Debts in our general ledger and have forecast a charge based on 5% of sales."

Early prospect qualification usually focuses on *elimination* or *reduction* of risk. Typically, any selling organization must *accept* the risk that a prospect might choose not to buy from them.

3.1 *Four Key Conditions* that represent the greatest sales opportunities and risks

Table 1 below shows a list of *four key conditions* that represent the *highest likelihood* and *highest impact* for successful sales outcomes. This list was compiled from my own sales experiences over twenty years. I've stated each one first as an opportunity, and then as a risk.

Table 1/ Key selling opportunities and risks

Condition	Opportunity	Risk
Solution fit	My solution provides an outcome that my prospect values.	My prospect won't value my solution.
Access	I am able to hold a dialog with the individual or individuals who are influential and have the ability to decide whether to purchase my product.	I won't be able to communicate with anyone who has the power to influence or decide on my product.
Financial Resources	My prospective customer has the capability to pay me what I am likely to charge for my product or service.	My prospective customer can't afford to pay me.
Expected Timeframe	My prospective customer is motivated to purchase from me within a timeframe that matches my planning horizon.	My prospective customer isn't motivated to purchase within the timeframe I need him or her to buy.

Let's look at the four selling risks. I'll explain why they are at the top of the list:

1. ***The risk that my prospect doesn't value my solution.*** If the prospect wants to buy a *hammer* right now and your solution is unrelated to that need, there isn't an immediate opportunity to sell anything. That's easy to figure out when you're comparing a hammer to a screwdriver, but what about when you're selling a complex product like an ERP software application or an enterprise architecture solution? Finding out the answer takes subsidiary questions that will be covered in a later step.

2. ***The risk that I am unable to communicate with the people who have the power to influence or decide on my product.*** As the saying goes, "companies don't buy, people do." Even the most capable technologies and solutions won't go anywhere sales-wise if the right relationships don't—or can't—exist.

3. ***The risk that my prospect can't afford to pay me.*** Nothing happens until someone sells something! If funds don't flow between seller and buyer, the sales activity is just a *science project.* What's the point?

4. ***The risk that my prospect isn't motivated to buy from me within the timeframe I need him or her to buy.*** If you can count on anything in sales, it's that *time always matters.* The decision whether or not to pursue a sale must consider forces (strategic, customer-driven, technological, regulatory, and competitive) that impact sales lead time. Would you find it acceptable to devote significant time to a sales engagement when your prospect doesn't need to buy now, but might need to sometime within the next several years? Probably not.

Other conditions are equally important for some businesses:

Table 2/ Additional key selling opportunities and risks

Condition	**Opportunity**	**Risk**
Implementation resources	My prospective customer has not only the financial resources to purchase my solution, but the resources to implement it as well.	My prospect doesn't have the capability of deploying my product or service. (This condition is sometimes called *The Winner's Curse*.)
Operational capability	My prospect has [specific operational capability or characteristic].	My prospect doesn't have [specific operational capability or characteristic].
Standards	My prospect is open-minded about doing business with me and my company.	My prospect has an undocumented policy or bias that my company cannot overcome (e.g., the senior decision maker worked for my competitor, and he won't buy from anyone else).
Eligibility	My prospect has the right certifications to buy from me (e.g., my prospect must be an approved reseller for Company X).	My prospect lacks a specific certification (or certifications) to buy my product.

Action item:

1. List the conditions that are most important for making a sales outcome successful. Add the condition to the list, along with its positive (opportunity) and negative (risk) statements. Also, are the conditions listed above meaningful risks in *your* sales environment? If not, consider omitting them from the list.

Caution: Make sure you are not creating too many conditions, or you will risk disqualifying opportunities that might actually be valuable.

2. Save the list in a document that you can share with other members of the sales force.
3. Assign a person to update the list on a monthly basis.

4.0 Step 2 Convert the conditions into questions

Now that you understand your greatest selling risks, how would you know whether they exist for any given sales opportunity? You'll need to ask the right questions!

There are many questions that we use in selling, but we don't have the luxury of asking all of them. One way to figure out where to start is to know the *top-level* questions that you need answered. These top-level questions should address the risks that you must manage early.

For brevity, I will focus on *four key conditions*, which correspond to questions that I call the *Four Green Lights* (Refer to Table 1 in the previous step). To make these questions easier to remember, the first letter of each condition combines to form the word *SAFE*, even though this is a little misleading—throughout the sales process, there are still significant selling risks!

Table 3/ Qualification Questions (*Four Green Lights—S-A-F-E*)

Green Light #	Condition	Qualification Question
1	**Solution Fit**	Does my prospective customer have a strategic challenge or operational issue that can be solved using my product or service?
2	**Access**	Can I get access to the person (or people) with the authority to influence and commit the expenditure of the financial resources to procure my product or service?
3	**Financial Resources**	Will my prospective customer have the financial resources to pay me what I am likely to charge for my product or service?
4	**Expected Timeframe**	Will my prospective customer purchase from me within a timeframe that matches my planning horizon?

5.0 Step 3 Break the qualification questions into smaller ones.

You're sitting in your prospect's office and you're ready to begin your first meeting. Would you ask him "Do you have a strategic challenge or operational issue that can be solved using my product or service?" Probably not. The question is too big, and your expertise is also required to answer it. But the big question reduces into many others.

5.1 Here are some smaller questions you can use for each *Green Light*:

Green Light #1 / Solution Fit

High-level questions

1. **What is the *outcome* my prospect seeks?** *(Note: Unless you have a clear idea about the answer to this question, it isn't possible to qualify a prospect for this Green Light. Avoid plugging in one of your product features or benefits for the answer. Your prospect doesn't necessarily seek a machine that can process 1,000 units per hour, which is a product feature. He or she wants better financial returns, shorter production lead times,*

or some other upstream outcome. This subtle, but important, difference will prevent you from being misled early in the sales process.)

2. **Can (or could) my product or service enable that outcome?** It's best to get this answer early, although sometimes several discussions are required. *(Note: when your key prospect answers "yes" to this question, it's a stronger endorsement than if your sales group alone makes the determination. Either way, the assessment must be made in order to have a Green Light for Solution Fit.)*

Strategic Questions

- What are the most valuable outcomes that your organization provides to *your* customers?
- What are the key capabilities and resources required to execute strategy and achieve your company's goals?
- What are the major forces driving changes in your business?
- What are the resources, competencies, and capabilities that are mission-critical for you to be competitive?

Operational Questions

- Could you describe and prioritize the top three operational issues you face today?
- If you could fix one thing about your business, what would it be? Is doing nothing an option?
- What is the most important outcome for you to achieve from using our product (or service)?
- If you are to achieve your corporate goals, what capabilities must your company have and excel at? Which ones do you feel are most deficient today?
- Without considering any constraints for a moment, how would you describe your ideal solution for the problem you described, and what would be the outcome?

Green Light #2 *Access*

- "How are decisions about [product type] made at your company? If our product passes your initial criteria, could we meet with [name of person or persons]?"
- Who in your organization would know about (be concerned about) problems related to [strategic or operational issue]?
- "Would it be possible to meet with others in your organization who are responsible for selecting and buying this product?"
- "Would we be able to meet with or speak to the people who would be directly involved in approving our proposal?"
- "Who else in your organization would it be valuable for me to talk with regarding the project we discussed?"
- "Who else in your organization will be involved in this initiative, and how will they

be involved? Would they be available for me to speak with?"

Green Light #3 ***Financial Resources***

- "When solving [name of problem], how have you invested in the past?"
- "Given the financial magnitude of the problem we discussed, what would you consider an appropriate investment in order to solve it?"
- "What are you able to invest for addressing this strategic need (or operational problem)?"

Note: The more common question, "What resources have you budgeted for this project?", is not included here, but it can be if it yields meaningful answers in your industry. I have found that the first question, "How have you invested in the past?", is more valuable, because past actions provide better insight about how a company is likely to decide in the future.

Green Light #4 ***Expected Timeframe***

- "Was there a significant or compelling event or situation that motivated your inquiry?"
- "Are there events or situations that are driving the timeframe for your decision? If so, what are those events?"
- "When do you plan to have a solution in place to address this problem?"
- "Can you outline the timeframe and steps that your company plans to adopt for implementing a solution?"
- "Are you waiting on availability of funds in order to make a purchase (for example, public bond issue or venture capital)? If so, when would the money be available?"

Action Item:

1. List the questions you already use for qualification. Are the questions clear?   Test them with another person from your company.   If you have more than one salesperson in your organization, pool the best questions on a single spreadsheet that can be shared among the group.
2. If you use a CRM system, select key questions and connect the resulting answers with milestones in the sales process. (for example, sales engineering resources cannot be provided to a sales opportunity without two definitive *"yes"* answers to the four key qualification questions.)

6.0 Step 4. Figure out your *risk appetite.*

If you had $100 to invest in a single place, which of these options appeals to you the most?

- Passbook savings account
- Shares of stock in a publicly-traded company
- Lottery ticket

Your choice depends on how much benefit you could receive and how much risk you are willing to absorb to get it. This is referred to as your *risk appetite.*

Similarly, the choices you make for which sales opportunities to pursue depend on how much risk you can absorb given the results you could achieve.

Should you pursue only those opportunities that have across-the-board "yes" responses? What about *three* "yes" answers, or even fewer? Even if the answers to all qualification questions are "yes," your sale might be far from certain. (In fact, if conditions change, the same risks that you face in early qualification can recur at any point in the sales process!) You probably already recognize that every negative answer makes the option of pursuing the opportunity an ever-shakier bet.

One way to represent your odds of succeeding is to create your own risk table, as shown below. (The percentages given here are for illustration purposes. Yours might be different.)

Table 4/ Purchase outcome probabilities

Number of "yes" answers to qualification questions	Probability of a successful sales outcome (purchase)
4	60%
3	30%
2	10%
1	2%

According to the table, if an opportunity passes all qualification questions, there is a six-in-ten chance that it will result in a purchase. But if the qualification "fails" on two questions, the probability of a successful result drops off precipitously, with only a 10% chance of a successful outcome. Is a 90% likelihood of a failure too great for you or for your company? The answer depends in part on the direct costs and opportunity costs to complete the sale. If your product doesn't require a direct sales force to sell, a 10% success ratio might be excellent. This is true for many products sold on e-Bay. But if you're selling a product that requires a complex, collaborative sales effort that involves significant time, personnel, and expenses, a 10% success ratio would be understandably problematic.

Even if you don't know how to assign the probabilities listed in the table, you should still decide how many questions a prospect company can fail before it is considered *unqualified.* Also, you should consider whether failure on a single criterion—for example, *financial resources*—by itself would disqualify a prospect.

Whatever your situation, if you're managing company risk, it's important to establish an enterprise-wide qualification standard so that your sales risks are consistently managed. In fact, poor qualification practices cause much of the uncertainty in sales forecasting. If your company's CFO is having difficulty planning cash flow quarter to quarter, lead qualification processes should be one of the first things to consider in order to fix the problem.

If you're managing your own sales portfolio, your risk appetite might be different, depending on how you are compensated. Most salespeople on a commission-only plan are more risk-averse than those who don't have a commission component to their pay. In my experience, I probably wouldn't directly pursue any sales opportunity that failed on *two or more* criteria.

Action item:

1) Think about how much risk you can afford in your sales opportunities. Your answer might depend on your several factors, including your compensation plan, your experience level, and your company's lead generation processes.
2) Consider how the answer to question #1 relates to the qualification questions you choose.
3) Decide which conditions make an opportunity *unqualified* for your direct sales time and resources.
4) Provide that feedback to Marketing so prospect targeting can be modified accordingly.

7.0 Step 5 Plan your options.

Should certain sales leads be discarded? Should there be regular follow up? If so, how? The answers to these questions depend on your company's marketing and sales strategies, channel strategies, and other resources.

One company I worked for sold Oracle consulting services, and they wanted to find out which prospects intended to upgrade to Oracle 11i—a potentially large revenue opportunity. Not surprisingly, a qualification question I used was "Are you planning to upgrade to Oracle 11i?" If the answer was no, I moved on. If the answer was yes, I continued with the sales process. Was that the right way to qualify?

As I quickly learned, it wasn't. Almost every prospect I contacted had no intention to upgrade. Based on the answers I got, there weren't any prospects worth pursuing. But I also recognized that if upgrading to Oracle 11i wasn't planned this year, it might be next year. Or the following year. So I changed my question to "Cost and technology notwithstanding, if you could change something—anything—about your business operations now, what would it be?" That open-ended question led me to a different—and much more fruitful—path!

Why? Because there was a lot of operational frustration with Oracle. By finding a different problem that my company could fix (and there were many of them), I could gain a new path to the 11i upgrade work. Before, I walked away without asking about other billable projects. Now, I found a new way to cultivate the 11i work—and to gain revenue at the same time! It wasn't what the practice managers wanted in the short term, but it was far better than returning a big, fat zero for sales opportunities.

Some companies have adopted a scoring process for qualification, enabling the highest-scoring opportunities to receive the most sales resources, and the lower-scoring opportunities to stay in the sales pipeline without consuming scarce direct-sales time and energy. If your company doesn't yet use a scoring process, you can begin by using the answers to the four key qualification questions.

Table 5/ Qualification tier options

Light	**Number of YES answers**	**Rank**	**Resources to apply**	**Options**
Green	4	1	Direct sales, pre-sales, references, inside sales	Provide direct sales follow up within 24-hours. Schedule appointment. Develop account plan.
Yellow	3,2,1	2	Direct sales, inside sales	Provide Direct sales follow up within 48 hours, engage with upcoming mass-marketing event, place on direct sales "watch list" for contact next quarter. Identify qualification gaps, and consider proposing other products and services.
Red	Zero	3	e-newsletter or periodic email	Discard or maintain on email-marketing distribution list

The key is to concentrate limited sales resources on the most qualified leads, the *Green Lights*. Nurture the *Yellow Light* opportunities until they convert to green or red. Avoid applying expensive resources to *Red Lights.*

Action item:

1) If you haven't already done so, assign a scoring system for leads. You can use a scale from one to ten. If you use a contact manager or CRM system, you can use a pre-designated field for this purpose, or one that you assign.
2) Divide the group into thirds and decide how you will manage the sales process for each group.

8.0 Step 6 Know where to get the information you require.

Where should you go to get your information? Do you ask questions only of your key contact? What if that contact doesn't have the knowledge you require? Should you get more opinions?

What about asking people outside of the prospect's company? Could they have insight that might help you with qualification?

The answers depend on what you are selling, the size of the sale, who you are selling to, your *risk appetite,* and how long you would like your sales cycle to take. There are tradeoffs to consider: the more information you gather, the clearer your insight, but the longer your sales engagements might take. Because there are many potential information resources, and because the quality and accuracy of the information you can receive varies widely, you should know *where* to go to get the *best* information.

Getting your answers from more than one source will help you gain a truer picture of reality. Fortunately, Web 2.0 (or Social Media) provides salespeople an unprecedented ability to validate information. By participating in conversations on the Internet, you can gather facts that support—or refute—what you have gathered through direct conversations. In some situations, these conversations will help you identify additional questions to ask your direct points of contact.

In the case of companies that require mission-critical qualifying information, such as security clearances, financial statements, age, or certification eligibility, the exact source for the information must be specified and enforced. The sales process cannot advance without it. For companies without such compliance standards, it's less clear where to obtain other kinds of information. Table 6 provides some ideas.

Table 6/ Resources to gain information for key questions

Green Light #	**Condition**	**Qualification Question**	**Information Resources**
1	**Solution Fit**	Does my prospective customer have a strategic challenge or operational issue that can be solved using my product or service?	Industry blogs, primary points of contact, trade journals, Google Alerts
2	**Access**	Can I get access to the person (or people) with the authority to influence and commit the expenditure of the financial resources to procure my product or service?	Industry blogs, primary points of contact, other salespeople who have worked with the target company, networking websites such as LinkedIn
3	**Financial Resources**	Will my prospective customer have the financial resources to pay me what I am likely to charge for my product or service?	CFO of target organization, executive with budget responsibility, Dun & Bradstreet credit report
4	**Expected Timeframe**	Will my prospective customer purchase from me within a timeframe that matches my planning horizon?	Industry blogs, primary points of contact, Letter to Shareholders (if publicly traded company)

Action item:

1) List the information resources you already use for sales (these can be people, websites, or print publications, or other resources).
2) Compare the list to the set of qualification questions listed in Table 6.
3) For any question that has one or fewer reliable information resources, find a viable resource. (This can be achieved through gaining access to people in your business network, or through using a service such as Google Alerts.)

9.0 Step 7 Know the assumptions you are making.

Assumptions are a constant reality in business, and we must make assumptions about every qualification criteria. In fact, we make many assumptions that we're not even aware of! But if we didn't make assumptions, we'd be stuck in qualification-mode, and we'd *never* be able to move our sales activities forward.

On the other hand, some assumptions are so risky that you should convert them to facts through asking qualification questions. For example, changing conditions could impact any of the *Green Lights.* So you could ask, "What are the most likely changes you can see that could impact [the fact or information you received for an earlier question]?". By setting up a simple risk table (*see Step 4*), you can make more informed decisions about what to ask up front.

Here's an example of an assumption that I made: I assumed my prospect wanted the *best product*. He didn't. What he cared about was whether he could get his software installed by a specific date. It didn't matter whether it worked well—as I found out later. Needless to say, I lost the opportunity because of my wrong assumption. Why? I spent all my time proving the *technical* merits of my product.

Here are some frequently-made assumptions for each key qualification question.

Green Light #1, ***Solution Fit:*** • The prospect wants the best solution available. • The solution with the highest return on investment (ROI) or lowest Total Cost of Ownership (TCO) will be the most compelling to the prospect. • The answers to the questions we've asked will accurately predict the *action* that the company will take. • We've received accurate information, and there are no intentional or inadvertent factual errors.
Green Light #2, ***Access:*** • The individuals we collaborate with will be rational, fair, and logical in their decision making. • The people we think will be influential in decision making *are* influential. *(Note: this is an often-held assumption for C-level executives, but not necessarily a good one*!) • The prospective customer seeks or values a "Trusted Advisor" relationship with individuals in the sales organization. • The individuals we're meeting with have the organization's best interests in mind. • Decision rights are uniformly understood and applied within the prospect organization.
Green Light #3, ***Resources*** • There is no major litigation pending against the company. • The company is not a takeover target of another company. • The company isn't getting ready to engage in a merger or acquisition. • The company isn't planning an IPO or other major financing initiative.
Green Light #4, ***Expected Timeframe*** • There are easily identifiable forces that are motivating the decision timeframe. As noted above, these forces could be regulatory, technological, competitive, customer-driven, or strategic, financial, or other. • The prospect has the capability to purchase and install within the timeframe he or she has stated. • The project's urgency won't be reprioritized and/or allocated funds won't be reassigned to another initiative. • The timing of the prospect's strategic or operational need is congruent with the timing of their purchase intentions.

Action item:

For each qualification criterion, write down which assumptions are you making. Are there any current assumptions that present significant risk to achieving your sales outcome? If so, you might decide to include subsidiary questions (*see Step 3*) to uncover that information in your early qualifiecation.

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10.0 A few final thoughts

1) Meaningful discovery requires a foundation of trust.

When it comes to business transactions, people cannot interact without the expectation that others will conduct his or her activities with integrity. Neither party will rationally accept the risk required to advance the sales process without a measure of trust.

Trust grows as parties share experiences, and interpret and assess each other’s motives as mutually supportive and beneficial. As Jim Collins wrote in his book *Good to Great,* “create an environment where the truth is heard.”

2) The right answers are the result of asking the right questions.

Qualification takes time, patience, and practice. When an opportunity is lost, ask internally: “What *didn’t* we know when the decision was made?” The answer to that question might yield new qualification questions.

In the movie *The Return of the Pink Panther*, the immortal Inspector Clouseau sees a hotel clerk holding a dog on a leash and asks, "Does your dog bite?" The clerk responds "No," and Clouseau reaches to pet the dog, which immediately bites his hand. "I thought you said your dog did not bite!" he exclaims. To which the clerk replies, "That is not my dog."

Both Inspector Clouseau and the hotel clerk were sincere and honest, but the answer Clouseau *got* was for a question that he did not think he had asked. Sales qualification can be similarly imprecise. If you keep this funny but poignant vignette in mind, you can develop precision that will reduce your sales risk. There are always ways to improve your questions. If you’re uncomfortable with the risks you perceive, or if you’re unclear about the opportunities that you want to win, keep asking questions.

About the author

Andrew (Andy) Rudin has over twenty years of successful high-technology sales experience. His industry background spans multiple commercial markets and government, and he has provided information technology software, hardware, and services solutions for his clients. Andy is the Managing Principal of Outside Technologies, Inc., a sales strategy consulting firm based in Virginia. He has a bachelor of science and master of science from the McIntire School of Commerce, University of Virginia, where he serves on the Advisory Board for the MS in management information technology program. Andy writes frequently for the Customer Relationship Management website CustomerThink (www.customerthink.com), where he has been recognized as a Top Author in 2008.

For further information about this topic, or to learn more about Sales Discovery Techniques and workshops to help you get beyond the obvious in selling, please contact Andrew Rudin, Managing Principal, Outside Technologies, Inc./ 703.371.1242 arudin@outsidetechnologies.com