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How to Shorten That Sales Cycle

By Janet Gregory

Continued company growth is critical to long term success. Shortening the sales cycle contributes to growth by accelerating revenue, attracting new customers and reducing cost. Accelerating revenue with a shorter sales cycle is the obvious outcome of the time based equation ... more sales in less time. Shortening the sales cycle makes your company easier to do business with and can attract new customers. More revenue with the same sales organization increases revenue per head and reduces cost.

[Shorten That Sales Cycle](#) (“How To” Guide Parts 1 & 2) addressed **where** to look at your sales process to shorten the sales cycle. It looked at your infrastructure (current sales process, current cycle time and transition points) and your customer (the value proposition, people involved in the process and how they buy).

“How to” Guide (Parts 3 & 4) in [this](#) article addresses **what** changes you need to make.

All Play. Shortening the sales cycle affects everyone. The myth is that sales cycle time is only a sales problem. Sales cycle time affects every aspect of your business. Shortening the sales cycle will require effort from marketing (product management and lead generation) to finance (price, discount & terms) to service (service offerings & pricing) to engineering (product design & development). A successful shortening of the sales cycle also accelerates every function within the company that touches customers with higher volume and greater demand. Shortening the sales cycle will reveal the need to improve efficiencies in every department.

“How To” Guide Part 3: Your Products & Services

Your product and service offerings set the time structure for the sales cycle. Performance, packaging and price are like the gears or movements within the sales cycle clock. Product management and product marketing are very familiar with the three Ps of marketing but they may not be considering the impact they have on timing the sales cycle.

How do your offerings match up with customer expectations? Product and service performance is important to the sales cycle. The better aligned your offerings are with customer expectations, the easier it is for customers to evaluate and make a buying decision. Be brutally honest about the performance of your offering as compared with competitive alternatives. With a complex or multi-faceted offering, it helps to “de-construct” the offering to make a competitive comparison of component parts, and ask

what unique and compelling advantage do customers gain by making a change? Change is disruptive; it's gotta be good ... really good ... to drive the customer to buy your products and services. Customers want to trade up when they are replacing one product/service with another. They want everything they had with the prior product/service and a whole lot more. Your offerings need to exceed customer expectations. Have this well articulated to help your sales people effectively present your product/service offering.

Performance Sales Cycle Fact: Product and service performance that exceed customer expectations will shorten the sales cycle. Performance that does not meet expectation will drag out the sales cycle.

Action Option 1: Conduct two performance evaluations: 1) competitive comparison and 2) status quo analysis. Areas that exceed customer expectation have value and will shorten the sales cycle. Obviously areas that do not meet customer expectation will lengthen the sales cycle. Not so obvious is that areas that just meet expectation will also lengthen the sales cycle because customers expect more from a new acquisition not something on the same level. Adjust your product/service offering accordingly.

Who is involved in evaluation & recommendation of your offerings? A complex sale is one in which several people must give their approval before the sale can take place, according to Robert Miller & Stephen Heiman in [Strategic Selling](#). Today this is more true than ever. Multiple people in various functional areas will review and evaluate your offer. Also expect multiple specialists within the key user group and core implementation group to be influencers and recommenders. Package your offering to make it easy for the multiple people involved in the evaluation process. Packaging equals people involved in the process. A complex package involves many people; a simple package will involve less people.

Packaging Sales Cycle Fact: The more people that are involved in the decision process, the longer the sales cycle.

Action Option 2: Analyze who will be involved in the buying process. Make it easy for each functional area and specialist to evaluate your product/service offering. Develop specialized tools such as white papers, demos or comparisons that simplify the recognition of value. Develop these tools in the language of the functional area or specialists. If possible, customize these tools for your specific customer.

Are offerings priced to streamline purchase time? Price has two major effects on sales cycle time: 1) approval levels required and 2) budget cycle. *Number one:* the bigger the dollars the more approval levels required. The more approval levels required the longer the sales cycle. Long journeys begin with small steps. Can your products or services be purchased in smaller transactions ... at least at first while the trust, confidence and relationship are being built? *Number two* is that big dollars need to be built into the budget. You may need to wait for the next annual budget cycle to have your offer included in the budget ... ouch, that really hurts sales cycle time. Shorten the sales cycle time by displacing other approved budget items, getting in under the radar or

having terms that allow for purchase today and budget allocation tomorrow (such as financing options).

Pricing Sales Cycle Fact: The bigger the sale, the longer the sales cycle will be. The size of the deal will generally dictate the sales cycle time.

- In general a \$10,000-\$25,000 sale will take less than 3 months.
- A \$50,000-\$150,000 sale will take 3-6 months.
- \$250,000-\$500,000 deal takes 6-9 months and may need budget cycle approval.
- A “comma-comma” sale of \$1 Million or more takes 12+ months and will require budget cycle approval.

Action Option 3: Price your product/service offering to allow for smaller initial deal size. This will help shorten the initial sales cycle to build the trust for a long term relationship and budget planning for the larger deals over time.

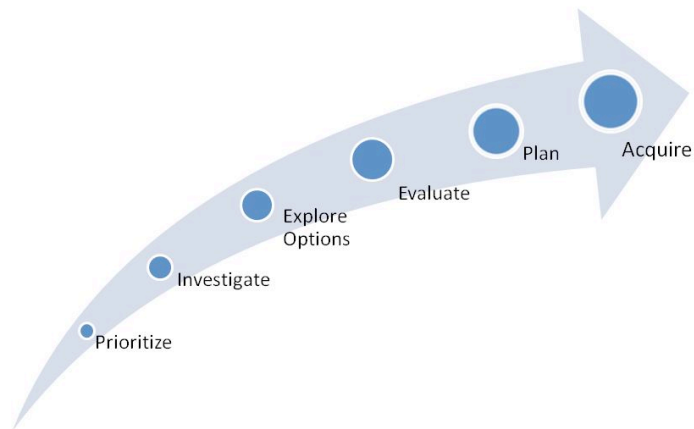
“How To” Guide Part 4: Your Sales Team

Your customer does not care about **your** sales process. Your customer cares about making a good decision, the right decision for their company. Shorten your sales cycle by aligning with the customer’s decision process.

Does the sales cycle align to the customer’s decision process? Most companies define the sales process by their own actions ... prospecting, qualifying, presenting, proposing and closing. Customer’s decision process is driven by business need. Buying is a natural outcome of priority aligned with need. The act of buying or the purchasing process can be tedious but it is incidental when priority and need are high. Customers describe their decision process as ... prioritize, investigate, explore options, evaluate, plan and acquire.

Priorities are driven by business cycles, market trends and crisis. Tune the sales process to capitalize on business cycles. Refresh marketing materials and sales messages to capture market trends. Have the sales process explicitly help customers build interest, examine alternatives and assess value.

But, don’t stop there; you’re not ready to close the deal yet. Help the customer plan for business transformation that unleashes value into their business. Most sales processes skips that critical step or thinks it belongs *after* the sale is made. Helping the customer plan for success will accelerate the acquisition and close the sale.



Process Sales Cycle Fact: Accelerate the sales cycle by helping your customer prioritize, investigate, assess alternatives and plan for success.

Action Option 4: Align the sales process, marketing messages and sales tools to the customer's decision process. Retire steps in the process and collateral that do not align with the customer's decision process.

Is the sales cycle one-size-fits-all? Do you think your business is the same as other companies in your industry? I doubt it. Likewise, your customers think that they are unique and different. So why would you treat them all the same. If your sales cycle is one-size-fits-all then it is likely that it really does not fit any of your customers exactly right. Look for areas that can be tuned uniquely to a customer's decision process. Industry specific whitepapers and use cases can help establish priority. In helping a customer explore options, think outside the standard competitive matrix to customer-specific payback and consequences. Evaluation always includes Return on Investment but make it more personal with benefit-per-cost. This is the sales process equivalent of "mass customization," a concept introduced by Stan Davis in *Future Perfect*. Individualize the sales process for a customer through standard variants applied to qualifying criteria.

Individualized Sales Cycle Fact: The longest common denominator in sales cycle timing is the one-size-fits-all sales process. Individualized sales cycles will allow a customer to make a buying decision in the shortest time possible for their business.

Action Option 5: Apply the concept of "mass customization" to the sales process.

Where is the concept of time in your sales process? Yes, timing is everything, even in the sales process. There is the timing of the steps and stages of the sales process related to sequence and duration. That is significant. But, the high velocity sales process is tuned specifically for the customer's business cycles. From the obvious to the subtle, every company has a predictable cycle that your sales process should be expertly tuned into. A few obvious examples include:

- *Retail:* Many retail establishments generate their greatest revenue between October and January. They acquire goods in anticipation of high season (prior to October). They will evaluate, plan and implement products, services or systems in advance of high season so they are stable and performing.
- *US Federal Government:* The buying cycle for the US Federal Government is well documented. 67% of budget dollars are spent in the last two months of the fourth quarter of the budget year, August and September. The other 33% is spread over the rest of the year with little spending in Q1 (October-December) because budgets have not been established.
- *Educational Institutions:* Evaluation occurs when classes are in session. Implementation occurs when student populations are at a minimum. Acquisition occurs in between, based on budget cycle.

- **CPAs:** Don't try to talk with them during tax season (January to April) ... no investigations, evaluations, acquisitions or implementations take place during tax season.

Even with the less obvious business cycles, your customer's fiscal year has predictable budget, evaluation, acquisition, and implementation cycles. A simple test is to include open-ended questions in the conversation, such as "tell me about a recent similar acquisition and how the decision process advanced." The internal business cycle will be revealed in the story that is told.

Timing Sales Cycle Fact: Timing is everything. Time your sales process to the customer's decision process for the fastest sales process. If the timing is off, your sale will have to wait until the cycle comes around again... you missed the train and have to wait for the next one.

Action Option 6: Tune the sales cycle to your customer's business cycle.

Replace your sales process with your customer's decision process and you will have a high velocity sales cycle.

Also find other high impact articles to help you shorten your sales cycle in this issue of the KickStart Accelerator and in the [Resources section](#) of the KickStart Alliance website at <http://www.kickstartall.com>.

Janet Gregory is a veteran sales executive and co-founder of KickStart Alliance. For assistance with sales strategy, sales planning, training, sales enablement, compensation or any aspect of sales operations, contact [Janet](#). Janet leads the sales readiness practice at KickStart Alliance. For help in aligning sales & marketing for results contact any member of the [KickStart Alliance team](#).

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