

Shorten That Sales Cycle

By Janet Gregory

Why shorten the sales cycle? DUH. Keep those revenue charts marching up and to the right. It is a simple time based equation. With a shorter sales cycle the company can produce more sales in the same amount of time. Here are Parts 1 & 2 of KickStart's four part "How To" Guide for shortening the sales cycle.

Why is the sales cycle too long? What is too long? Is there a too short sales cycle? No. No one has ever lamented about that. There probably isn't even a "just right" sales cycle. All companies want more sales, faster.

Who cares about sales cycle time? Everyone. The sales cycle time affects every aspect of your business. A successful shortening of the sales cycle accelerates every function within the company that touches customers; which is (or should be) all of them! Acceleration will be felt in every department from finance (AP & collections) to marketing (product marketing & lead gen) to fulfillment (manufacturing & implementation) to service (support & maintenance) to development (engineering & new product development). Shortening the sales cycle will reveal the need to improve efficiencies in every department.

"How To" Guide Part 1: Your Infrastructure

What is your sales cycle? Your sales cycle is your sales process. Your sales process is the methodical approach your company has to establish buyer awareness, build buyer interest, be included in buyer evaluation and be selected in a buying decision. To get from point A to point B you need to know the route. It's the same with making a sale. If you know what the sales process is, you can make changes. Understanding the steps of the sales process and how each step relates to the next will allow you to make intelligent changes to reduce the sales cycle. Or said a different way... you can't change something, if you don't know what it is, or if there is general disagreement about what it is.

Step 1: Understand, document & agree on your sales process.

How long is your sales cycle? Too long is the easy answer. Knowing how long the sales cycle *really* is will help you isolate the problem areas. Avoid anecdotal information and study the facts. Your sales automation system can be a goldmine of information about ageing and how long opportunities linger in one step before moving to the next. Think of this as trip planning. Do you know what the normal "commute" time is for an opportunity to move from one step to the next or from one major event to the next?

Step 2: Track & evaluate your cycle time.

Where are the slow-downs in the sales cycle? Most slow-downs occur at transition points in the sales cycle. Transition points are where new people and skills are needed to continue to advance the sale. This is like a traffic engineering problem during rush hour. Bottle-necks and slow-downs occur at transition points like entrance ramps and intersections where traffic needs to merge. In the sales cycle slow-downs occur at entrance ramps where new players need to be involved in the sales process or intersections where elements are handed off to others. The entrance ramps and intersections are both yours and your customers.

Step 3: Analyze the transition points in the sales cycle.

“How To” Guide Part 2: Your Customer

Your customer does not care about **your** sales cycle time. Your customer cares about making a good decision, the right decision for their company. Real impact on shortening your sales cycle comes from understanding the customer's buying process.

Does the customer want to accelerate a buying decision? Yes, if it is important to their business. Customers want to move forward with buying decisions on priority matters. Customers will put “the pedal to the metal” when the impact and value to their business success is high. Priorities are driven by both internal business initiatives and external factors. Internal business initiatives heighten awareness and the desire to act. External factors define measureable impact to the customer's business... customers will analyze both payback and consequences of a buying decision. Don't make the customer figure this out on their own. Provide the customer analysis specific to their business so that the beneficial impact is obvious.

Step 4: Define compelling business value on the customer's terms.

Who's driving the buying process? You drive the selling process but the customer drives the buying process. There are drivers and there are passengers in the buying process. Both are needed in today's complex business world to get a decision made. Drivers are recommenders and decision makers. Passengers are evaluators and influencers. You will find veto authority and gatekeepers among both drivers and passengers. The earlier in the sales process that you identify all the drivers and passengers the more effective you will be in aligning your sales process to the customer's buying process. Develop marketing materials and sales tools to address all the people involved in the buying process.

Step 5: Identify & involve the right people early in the process.

How do customers buy? Are you selling or are you helping your customer buy? It may sound subtle but there is a big difference. Know what the customer's internal process is for a buying decision and help make it easy. No decisions are sole source; don't fool yourself. Help your customer with comparison shopping. Have your prospects talk with

your loyal customers about their comparative decision process. Encourage customers to test drive your offerings. Test drives can be virtual with flash demos and video or experiential with hands-on demos or real world with trials and pilots. Whether virtual, experiential or real world, include test drives in your sales process (and remember they don't always have to be free).

Step 6: Align your sales process to the customer's buying process

Shorten That Sales Cycle "How To" Guide Parts 1 & 2 address where to look at your sales process to shorten the sales cycle. "How to" Guide Parts 3 & 4 will address what changes to make.

Stay tuned for the next KickStart Accelerator for:
"How To" Guide Part 3: Your Products & Services and
"How To" Guide Part 4: Your Sales Team

Also find additional other high impact articles to help you shorten your sales cycle are also included in this issue of the KickStart Accelerator and in the Resources section of the KickStart Alliance website at www.kickstartall.com.

Janet Gregory is a veteran sales executive and co-founder of KickStart Alliance. For assistance with sales strategy, sales planning, training, 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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