

Make the 80-20 Rule Work for You

By Mike Stewart, CSP



I appeared on a radio show last week and a caller who was behind plan asked, "What can I do about all the paperwork and other stuff I have to do? It takes away my selling time and keeps me from making sales calls." My response was, "No it doesn't. You aren't selling what you should because you are making the wrong choices about how to use the time you still have available."

This is what I suggested he do to help him make better choices that lead to sales success.

List all the things that are problems for you, then identify the ones you can control, and forget about the ones you can't control, such as paperwork, and other things the company requires. Every salesperson I know has these problems. Get over it and move on. Begin by recognizing there are two great truths about selling. They are:

1. You must sell new business to be successful, and
2. There is never enough time.

These are much more than just abstract truths. Indeed, they are mathematical facts.

If you will think about your sales quota for this year and compare that figure to the revenue you project to receive from ongoing recurring business, you will, in all probability, be short. This shortfall can only be made up by selling new business. That is a mathematical fact.

Consider, also, there are 211 days left this year. But, all of those days are not available for you to make sales calls. You will be surprised at how few days are left if you subtract the weekend days, holidays, days you spend on paperwork, meeting days, vacation days, training days, and other "lost" days, such as sick days, the days between Thanksgiving and New Years, and days when you just are not up to par. Most salespeople who do this exercise will find they have fewer than 70 "sales" days remaining this year. That's a mathematical fact, too.

"We've got a long way to go and a short time to get there."

- Smokey and the Bandit

Let's put this math to work. Chances are about 80% of your present sales come from 20% of your customers, and 80% of your NEW sales will come from only 20% of your prospects.

Based on these facts, you can not waste your precious time on the "B", and especially the "C", accounts that drag you down. And you sure can't spend time trying to sell prospects that don't have the potential to be "A" accounts, or at least "B+" accounts.

Many salespeople make the mistake of spending what little time they have with low volume customers who will never contribute significantly more than they do now. When they prospect, they call on prospects who have only enough potential to become a "C" or "B-" account.

If you want to learn how to segment your A, B, and C accounts and prospects, read Chapter 6, The Single Most Important Thing You Can Do To Close More Sales, of my book *"Close More Sales! Persuasion Skills That Boost Your Selling Power"*

Why do so many salespeople waste time they don't have? Simply put, it's because they are comfortable in these "safe" situations. Even though their business is not sales producing, they would rather stay in their comfort zones than push the envelope and do those more challenging activities that will produce sales.

They will never be successful doing that.

Think like a winner. Do the math, then spend 80% of your time on the 20% of customers and prospects who have potential that will enable you to reach, and exceed, your sales goals this year.

***"Think like a winner. You'll never be a hot dog if you think like a weenie."
- Mike Stewart, CSP***

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