

LEADERSHIP

Selling Media Generated Leads

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Most remodelers have worked very hard to build a business based largely on referrals. Why? There are many reasons: (1) it doesn't cost much to get referral business; (2) most referrals buy; (3) they typically don't shop as much for others bids; (4) they are more willing to accept your price; and (5) it takes less work to close the sale. Who doesn't want more customers like this – we all do. So what's the challenge with a 100% referral business? Referrals in and of themselves are not a bad thing. It's when they become our only lead source that it becomes an issue. You might think, "Why is that?" This is where selling skills come into play.

What I have found working with hundreds of remodelers over the years is the professional sales skills and systems needed to sell referrals are low, or non-existent, in the majority of (not all) companies.

When sales are slow and you need to generate more media produced leads, the closing ratio drops tremendously. In some cases it can go from a 90% closing ratio (leads to sales) to 10% or lower. Wow, that hurts because it takes increased time, the cost to acquire new sales skyrockets, the attitudes of the team decrease and the general manager's / owner's job becomes more difficult.

So what are the solutions?

1. **Stabilize your business for different growth and economic cycles by having a greater mix of media generated jobs to referral jobs.** If your business is 10% media and 90% referrals today, look at moving to a 30/70 or 40/60 mix so that sales team or you can competently sell to media generated leads.
2. **Utilize a proven professional selling system designed for your niche.** Some great programs in which you can invest and customize are the SPIN Selling[®] system (Situational, Problem, Imprecation, and Need payoff questions) and the Sandler Selling System[®], plus there are many other great programs available. Or, you can hire an industry sales trainer/coach to offer training support.
3. **Invest time in training weekly** until you become proficient using the system and then continue training to get great results consistently.
4. Additionally, all the industry consultants I have collaborated with agree and train that you must **have a minimum 50-67 % mark-up for general contracting and a 100% or greater markup for specialty remodeling** to have a business versus job - And that it is not totally dependent on you.

The bottom line is it takes systems and sharpening skills to perform well selling media generated leads and at strong margins (needed for your business type).

When I first started in sales 20 plus years ago, my sales manager taught me a simple, yet powerful, formula for success: **Attitude + Activity + Skill = Success is Sales**

ATTITUDE: First we have to believe in the product and company we are selling because belief transfers and creates confidence in prospective clients to buy from us. Second, we have to be optimistic and upbeat because consumers don't buy from pessimistic and depressed people. We must guard our attitude and belief that our product and service are worth the investment the client will make.

ACTIVITY: Selling is a numbers game. What are the numbers in your company? I recommend, at a minimum, you analyze leads to qualify leads, qualified leads to proposals / design retainers, and proposals / design retainers to closed jobs. Then you can structure the amount of activity needed to achieve your sales numbers per salesperson.

SKILLS: We have already discussed this - you will need a system and coaching to improve your skill enabling you to close a higher percentage of media generated leads. With time, effort and sacrifice, you will significantly increase your closing ratio if you're down at the 10% ratio of media leads to sold jobs, then you could double or triple your results.

One of the most beneficial sales skills is to learn how to truly qualify leads. This single skill could give you and your sales team a quantum leap. Here are some examples: Is the prospective client truly motivated to buy now? Do they have the money to buy? Can you deliver the type of project they want for the budget they have? Or, can you successfully reframe their expectations given their budget? If so, that will likely lead to a purchase with your company.

This is one of the major differences between a good salesperson and a great salesperson. Qualifying is always a little uncomfortable even for great salespeople, yet it becomes easier with experience.

In any economy, one commodity we never buy back is our time. When it comes to sales we must maximize its use. Apply discipline and sell skillfully by attracting, qualifying and closing confidently. Remember, the sales success formula is Attitude + Activity + Skill!