Improve the strike rate

The strike or hit rate is the ratio between the number of enquiries or prospects against those who eventually buy. This ratio differs widely depending on business type, with over-the-counter walk-in businesses getting high strike rates vs. business to business (B2B) suppliers of capital equipment, which may be around 25%. Companies tendering for construction, or materials, may only get a tiny percentage of tenders. Whatever type of business you are involved in, a lot of sales effort goes unrewarded, with no sale at the end. Improving the strike rate means more sales from the same number of prospects and the same sales effort.

Measure the number of enquiries and prospects vs. those who eventually buy. In B2B sales this is often shown as a funnel, with the wide mouth being the number of enquiries, then a smaller number of serious prospects, still less being those you make offers to and the narrow end being sales made. If the ratio between the wide mouth and the narrow end of the funnel is 30%, for instance, this means that 70% of the sales effort has been largely wasted. A small improvement in efficiency means a lot more sales. Sales efficiency will be high in your most likely target markets (see “Fish where the fish are” Sanlam Business Tips December 2016). Measure each step in the funnel and then set targets and actions to improve ratios at each stage. A good CRM system is worthwhile if you have a number of salespeople.

Ensure your salespeople have the right skills for efficient selling. Skills needed include understanding the target market, its buyer’s needs and behaviour, and qualifying prospects efficiently. Ask yourself, “Why is the prospective buyer buying now; what is important to them about their supplier? Why are they buying this at all? What are their buying criteria: is it price, safety, extended use, reliability, prestige or other issues?” Understanding these means you can select the best from your product range to fit the buyer’s needs. It also means you can walk away if your products do not fit the buyer’s requirements. Either way your sales process becomes more efficient. In B2B sales you may need to extend this knowledge to the buyer’s customers. What can you sell the buyer which will improve their sales to their customers, or their cash flow, or efficiencies? Providing training in solution-based selling for your salespeople is a good investment. Just teaching sales staff how to ask the right questions will give them a big advantage.

In tender replies, understanding the buyer’s needs and motivations is both most difficult and very important. So many suppliers and contractors fill in many tenders just hoping for a contract that never comes. Clearly you cannot approach the tenderer, but you can research the organisations in the area in which you would like to operate, and then stress your advantages that fit these organisations in subsequent tenders. Study the tender document and published information about the customer, check their website, to try and assess what is important to them. Then tender for those whose needs you believe you can fulfil.

Another key area is to improve qualification of the prospect. This applies across the board, from walk-in retail customers to tenders. Find and apply qualification rules so that you focus on likely buyers and not on time wasters. Zig Ziglar said, “Every sale has five basic obstacles: no need, no money, no hurry, no
desire, no trust." This is a great formula for qualifying prospects. Do they really have a need? Have they the money to buy from you?

Focusing on improving the strike rate can pay high dividends for very low costs and effort; a really good way to improve your business at any time, and especially now, when we all need to be more effective to get the few sales that are available.

To support business owners with the important task of business planning, Sanlam gives you free access to the book *Your Annual Business Game Plan for Success*, which provides an easy and straightforward framework needed to draft a well-crafted game plan that will create the positive change and growth necessary for business success.

Go to [www.sanlamgameplan.co.za](http://www.sanlamgameplan.co.za) to download your free copy.

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