

# Surfing the Sales Pipeline

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### Introduction

Many people describe the sales process as “inherently unpredictable.” They cite day to day challenges, including getting to the decision-maker, translating outbound contact into actual referrals, and my favorite – competition! While all of these factors are a part of the sales process, they don’t make sales “inherently unpredictable.”

To illustrate the point, let’s compare sales to surfing. Just like sales people, surfers face a variety of variables when they enter the water. Yet as they contend with rip tides, coral reefs and even sharks (i.e. competition), skilled surfers still manage to catch wave after wave, day after day.

How do they do it?

Just like sales people, surfers know how to consistently operate in a variable environment by using strategy, practice and balance to drive success. They recognize that their environment is in a constant state of change, and they adapt accordingly.

From prospecting to pipelines, this whitepaper offers tangible methods to enhance the predictability of an agency’s sales process, while increasing overall performance. As a result, you will be better positioned to control your sales process and surf your wave to success!

### Strategy – The Sales Backbone

Sun Tzu (the ancient Chinese philosopher and author of the Art of War) emphasized the importance of strategy when he said, “Every battle is won or lost before the first shot is ever fired.”

The same concept can be easily applied to sales and marketing – By the time your marketers are in the field, their battle has already been won or lost depending on the quality and intensity of your strategy. It is essential, therefore, to ensure that sales efforts are directly related to a guiding strategy designed to enhance overall business performance (see H2 whitepaper – Strategic Marketing).

Sun Tzu also went on to say...

*“Be united in your mission.”*

*“Know yourself and your competition – You will face 1000 battles and never lose.”*

In both of the above quotes, this ancient philosopher encourages us to rise above the common challenges of hubris and self-sabotage. Whether on the battle field or driving sales in a competitive market, one thing is certain – self sabotage is often the greatest disruptive factor that a team will face.

Self sabotage comes in a variety of forms, including overconfidence, insecurity, lack of unity, inadequate leadership, absence of strategy, and others. If a sales effort is to be successful, the team must maximize strengths and minimize weaknesses. This requires an honest assessment of strengths and opportunities for improvement so that the team can be placed in the greatest path of opportunity. Absent this

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introspective approach, teams often end up getting in their own way without even knowing it. It may be as simple as a single missed opportunity or as significant as team in-fighting – either way, the team's own self sabotage has an even greater disruptive impact than any outside competitor or market challenge.

It becomes obvious then, why Sun Tzu emphasized that every battle is won or lost before the first shot is ever fired. If a team is not united; if a company under or over estimates its opponent; if a sales effort lacks strategy; and if sales people engage in self sabotage, it will become far easier for the competition to win.

While some would be disheartened to hear this perspective, I would encourage you to view this as a very empowering concept – If self sabotage is one of the greatest factors inhibiting success, then it is squarely within your control to change it! It is simply a matter of putting one foot in front of the other with a willingness to see things not as they are, but what they can become. This is the essence of leadership.

### **Focus on the Things you CAN Control: Prospecting and Pipelines**

Stop giving power to your competitors! All too often, home care providers cite their competitors as the primary reason why they are not achieving their goals, emphasizing issues ranging from barriers to entry to unethical business practices. While competition is a factor (just like sharks are a factor when surfing in the ocean), it is not the only barrier preventing agencies from achieving their goals.

*Consider what your competitors might be thinking about you? Think about the challenges that you present to others in the market.*

In a given market, I could talk to five different agencies and each one would cite the others' disruptive techniques. The truth is that the grass is always greener on the other side of the fence. As agencies underestimate themselves and overestimate their competition, they fall into a reactive stance and lose control over their sales initiatives. Moving forward requires that agencies adopt a new perspective of competitive pressure – one that puts them back in control of their goals and future.

Success ultimately lies in an organization's ability to develop a proactive approach that enhances opportunities to win while reducing vulnerabilities all in the context of expected market variability. Competition is natural – it is "expected variability" in the market. The trick is to set your business up for success by focusing on the things you can control. While this concept can be applied to many aspects of a sales process, this whitepaper focuses specifically on prospecting and pipelines.

### *Prospecting*

Prospecting is one of the most important activities that an agency can use to grow the business; yet, it is also one of the most difficult. Perhaps you can relate to one of the following perspectives offered in the book Proactive Selling, by William "Skip" Miller:

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*“Prospecting is tough. It’s tough to make all those ‘no thank you calls’ and even tougher to take someone not even calling you back. It makes you feel so insignificant, so second class.”*

*“Most sales people would rather do ANYTHING other than prospect...and they will come up with any justification why today is not the day to prospect – the stars are not aligned right, the marketing material is inadequate, or they are just not ready to do a good job at it.”*

*“Ok, it’s 8AM. Do I start prospecting or do I poke myself in the eye with a pencil? Either choice is bad, but at least when I poke myself in the eye, I can go to the doctor and avoid prospecting.”*

Let’s face it, few people jump out of bed in the morning to make a cold visit to a doctor’s office that has never sent a referral; however, there are ways of making prospecting easier provided that you know what to say, when and to whom. Before exploring this topic, let’s begin with a discussion of the two different types of prospecting: Reactive and Proactive.

The quotes above are excellent examples of reactive prospecting. In essence, you are engaging in reactive prospecting if you are not driving the sales process through a strategic approach to the market. Reactive prospecting usually manifests itself in the form of a sales person’s internal dialogue. For example, you will not succeed if you are thinking...

*“I am not good at prospecting.”*

*“I am scared that he/she won’t give me the time of day – I’d rather visit someone I know.”*

*“If I don’t get a new referral source on board this week, then I’ll look bad at the next marketing meeting and I might even get fired!”*

*“I am just going to tell him what we do and see if he bites.”*

Notice that while there is a great deal of variation in the perspectives described above, they all have one thing in common – the sales person is prospecting with a negative and/or passive mindset. If you ever wondered about the importance of mindset when prospecting, just think back to the old saying, “Dogs and bees can smell fear.” The same is true of home care referral audiences – They will not give a sales person the time of day if they sense fear, desperation, or complacency.

While reactive prospecting will almost certainly result in poor performance, it can often be turned around by a simple change in perspective. When prospecting, the sales person must have an empowered attitude with an internal dialogue that goes something like this...

*“I have a solution to this person’s need – I may not know exactly what it is yet, but I have done my homework, I know my audience, and now it is time for me to let go of the hand-rails and skate!”*

The above quote is not to be taken verbatim as a script; however, it does provide insight into the mindset of successful sales professionals. Note that the dialogue above leaves room for customization of message to suit the unique needs of the specific audience. Termed “targeted communication,” this

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strategic method ensures that the agency's value proposition actually reaches the potential referral source. Furthermore, note that the above statement emphasizes the needs of the audience, not the interests of the agency. This is the essence of successful proactive selling, as further described by William "Skip" Miller in the quote below:

*"No executive or prospect will ever agree to meet with you because you have something to tell them. They don't care. They will only agree to meet with you because they have a question they need an answer to. Get the question out, not the information in."*

All too often, sales people engage in outbound contact with an elevator pitch, hope and a prayer. They go into the field to drop off information and cite their elevator pitch as often as possible. Unfortunately, this is the most inefficient means of prospecting because it is essentially passive. Absent an attempt to connect the dots for the specific person that you are speaking with, you can be fairly certain that your referral source will hear "blah blah blah blah" just like Charlie Brown's school teacher.

On the other hand, imagine what would happen if you went into every referral source with the objective of uncovering his or her need and matching your service to that need. Imagine what would happen if you used collateral to support a dialogue, rather than just "dropping off information." Imagine if you were able to ask for the order every time? These are just a few examples to illustrate the following point - Quality of contact and likelihood of referrals depends on a sales person's attitude and his or her ability to uncover the prospect's need. This is proactive prospecting.

### *Pipelines*

If prospecting is the most important sales activity, pipelines are the most important tool to ensure that outbound efforts are producing the desired result. Sales is a series of milestones; pipelines simply define the milestones in an organized fashion. Note the following graphic as a visual depiction of the standard home care sales pipeline:

INSERT GRAPHIC

Notice that the volume of activity going into the pipeline ultimately determines the volume of admissions that will result from the pipeline. Furthermore, observe that the pipeline shows a few key steps along the journey to admissions. By measuring these intermediate steps (outbound contact, referrals, admissions), sales managers can proactively begin to control their process and timeline. Rather than just reactively focusing on the "black and white" realities of cold calls and bottom line admissions volume, a manager can see the shades of grey and use this information to enhance productivity and coach the team.

*For example – If the pipeline showed that an individual sales person had a high rate of conversion from referral to admission, but a low conversion rate from prospecting to referral, a manager might choose to help his or her sales person increase the quality of outbound contacts. In doing so, the manager empowers the sales person by providing the tools necessary to positively impact his or her bottom line admissions number. Note that this method is geared toward coaching, not just holding people accountable for achievement of an admissions quota or lack thereof.*

*If, on the other hand, the sales person's conversion rate from contact to referral and referral to admission look fine, but the admissions number is still low, the sales manager might choose to focus instead on productivity. How many contacts is the sales person making on a daily basis? For most agencies, it should be between 45 – 60 per week, per sales person. If this number is low, the sales person might benefit from increasing outbound contacts.*

Ultimately, the objective of a pipeline is simple – move prospects from one step to the next with the goal of maximizing the bottom line number. It is important to note that pipelines assume a certain number of sales will “drop out” at every step along the journey through the pipeline. This is the “expected variability” that was discussed earlier in this whitepaper. For example, one must assume that a certain percentage of referrals will not result in an admission due to a variety of factors. From losing a referral source to competitive pressures, pipelines provide a means of measuring and controlling for the often unanticipated realities of sales.

Furthermore, the pipeline process can be turned around to actually predict sales performance in the context of this expected variability. How? It's actually quite simple – If you know the rate of conversion from outbound contact to referral and the rate of conversion from referral to admission, you can do some quick math to figure out how many contacts your team needs to make to achieve an increased admissions goal. Provide this volume of contacts to your team and you are off!

### **Conclusion**

In sales, there is no magic bullet - it is never just one thing that needs be changed. Rather, it is often a series of small fundamentals that are slightly off track resulting in lower than expected admissions. From strategy to team dynamics, prospecting to pipelines, a comprehensive evaluation is required to capture all of the potential contributing factors. By being willing to take an honest look at performance in this manner, agencies place themselves in the path of opportunity to achieve unprecedented growth and ride their wave to success!

### About the Author

Heather is the President and CEO of Heather L. Rooney Strategy and Marketing, a national marketing and strategic planning firm. With an innate ability to forecast future trends, Ms. Rooney is among the most respected growth strategists in the home care industry.

Having been a member of the home care community for more than 10 years, and with nearly 18 years of sales and marketing experience, Ms. Rooney is accustomed to guiding a diverse cadre of home health, hospice, private duty organizations in their quest to transcend performance plateaus. From small agencies to large national chains, she is known for infusing clients with energy and empowering companies to achieve unprecedented growth.

Ms. Rooney serves on the Board of Directors for the Community Health Accreditation Program (CHAP) and the Distinguished Board of Judges for the Stevie Awards. She is a nationally respected keynote presenter and published author on topics related to emerging market trends, sales, marketing, business development, business intelligence, leadership, strategic planning, growth, and more. Amidst her diverse content expertise is one essential thread: she is consistently recognized for her ability to cultivate vision, build unity of purpose, offer practical guidance and inspire change.

Ms. Rooney is also an award-winning CEO - She was named the 2008 Entrepreneur of the Year by the Stevie Awards for Women in Business, and she won the 2006 Stevie Award for Best New Business.

Prior to founding Heather L. Rooney, Heather built and directed all aspects of Sales, Marketing, and Business Development for a leading provider of business intelligence in home health, hospice and private duty. Her background includes real estate investment, franchise businesses, international pharmaceuticals, cultural diversity, non-profit juvenile delinquency prevention, community policing, and federal grant management. She is a trained conflict mediator and professional facilitator.

Heather graduated Magna Cum Laude and Phi Beta Kappa from the University of Washington with a focus on Criminology, Sociology and Criminal Justice. She resides in Seattle with her husband and young daughter.



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