



Business Strategies

A New Way To Reach Out

Lenders and vendors alike are trying to get more high-quality prospects. Here's a way to achieve this goal:

By Michael Hammond

The switch to a purchase market is hitting everyone hard. Lenders are seeing their volume decrease and their cost to originate increase because it's more costly to originate a purchase loan vs. a refi, of course.

But lenders aren't alone. Technology vendors are feeling the pinch, as well. Many technology vendors switched to a pay-per-transaction model over the past few years. What does that mean? With fewer loans/transactions, vendors are seeing their revenue decrease. As if that isn't bad enough, many of these technology vendors are the sole source of compliance for their customers and are forced to continually update their products to keep up with all the new rules and regulations. How can they afford to continually reinvest in their offering when their revenue is falling?

In order for lenders and vendors to be successful they need more prospects. In a research report called: "The Hidden Gems: The Ultimate Strategy To Finding Prospects" by Jill Konrath, she points out that this is no easy task. She says:

Prospects today would "much rather go online, research their problems and search for options before talking with a salesperson. Recently CEB found that nearly 60% of the buying decision transpired before making contact with potential vendors.

"That sure doesn't help you. Your quota keeps getting higher. It takes more and more effort to connect with a prospective buyer. And even when you do, they try to quickly brush you off like a pesky mosquito. It's enough to drive you crazy. And working harder isn't getting you results either."

"But the truth is your prospects will stay with the status quo for as long as humanly possible. It's not because they love their current situation. It's simply that making no decision is easier than changing. And, when they're crazy-busy, that's their default setting."

"So what's the answer? Timely sales intelligence. The kind that helps identify high value opportunities shortens sales cycles and minimizes competitive battles."

Konrath has some simple advice. It all starts with knowing who you want to do business with, she points out. Specifically, which companies you'd like to land as clients and which borrowers you want to lend to. Then, it's about being smart

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and knowing when they might be most amenable to taking action. The key? Leveraging trigger events to find these hidden gems.

If trigger event thinking is new to you, it's important to broaden your understanding of these catalytic agents first. That means we need to take a look at the plethora of "trigger events" that can create a ripple effect within an organization. Here are just a few of the major categories:

NEW LEADERSHIP. Anytime a new executive is brought onboard, they're expected to deliver results quickly. Change is always in the air. Depending on what you know about the organization and position (e.g., CFO, VP Marketing), you can infer what might be forthcoming.

FINANCIAL ANNOUNCEMENTS. If an organization has missed their earnings expectations or sales growth is lagging, expect to see big changes in the upcoming quarter. Conversely, if growth was better than expected, watch for new initiatives to support their expansion.

MERGERS, ACQUISITIONS, PARTNERSHIPS. With these types of activities, organizations re-evaluate many of their existing relationships to determine what works best for the new direction.

STRATEGIC INITIATIVES. When new corporate directives become a priority, there's a shift virtually overnight in what decision

makers are concerned about. They need to quickly determine if their status quo is sufficient to help them achieve their new objectives.

MARKET CHALLENGES. This broad category can include competitive activity, changing customer demographics, economic turbulence, rising gas prices and a host of other factors that can both positively or negatively impact future business.

LEGAL/COMPLIANCE. Any changes in government regulations or corporate litigation can cause an organization to undertake immediate action.

REORGANIZATIONS. Tumultuous restructurings change priorities and shift alliances virtually overnight. Existing business relationships are all in jeopardy too.

As a technology vendor you need to be on the lookout for these and other trigger events when engaging with a lender. For lenders, you also need to be getting to know your borrowers better as you try to engage with them. You have to be informed about your prospect so you can be ready to serve them.

How do you find out about these trigger events? Many trigger events are newsworthy announce-

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ments. Companies share much of this information via press releases. They want to be visible. Sometimes the media writes about what's happening. Or, people on LinkedIn, Facebook or Twitter spill the beans about what's going on. All this is online, waiting to be found. But you don't want to be inundated with information. Instead, it's crucial to limit the sales intelligence you receive to the following:

YOUR TERRITORY

Whether you have a geographic territory or sell to

a vertical market, you want to be notified whenever one of these newly identified triggers occurs. With this info, you can:

- Proactively reach out to a new prospect with a relevant and timely message.
- Engage in an initial conversation with a person who has potential need.

EXISTING CUSTOMERS

- Stay up-to-speed on what's happening with your important clients:
- Ensures you're aware of anything that could impact your current business.
- Enables you to bring your clients helpful ideas to address their changing needs.
- Deepens your relationship, builds trust and establishes more credibility.

TARGETED ACCOUNTS

These companies meet your ideal client profile, but you aren't currently working with them. By tracking what's happening in their organizations, you'll be able to:

- Initiate contact when you identify trigger events that could alter their satisfaction with the status quo.
- Demonstrate that you're a potentially valuable resource by contacting them with ideas that could be helpful to their organization.

So, what do you do once you hear of a trigger event? Once you're alerted to a status-quo loosening trigger event in your territory, it's time to move into action. Start by deepening your research right away.

Then ask yourself: What impact could my products or services have on their business? How could I help them address these changes? What value could I provide? And think about other similar companies you've worked with: What stories could you share? What difference have you made?

Savvy sellers use trigger events to start conversations. That means that you need to put all this info into context so that when you initiate contact, your message is relevant and you sound like a credible resource.

In the end, selling via trigger events is not meant to replace your existing prospecting process. It's imperative that you still target and go after your ideal customers.

Instead, think of trigger events as an ideal augmentation strategy to find those hidden gems. It creates more opportunities for you. And, if you set up a system to do the work for you, your technology partner will alert you when something happens that could create a need for your products or services. ❖

