

Controlling the Sales Process: Use Evaluation Plans

Objectively think about your current pipeline of opportunities:

- With how many opportunities do you have Evaluation Plans in place? On paper?
- If in place with a prospect, were they negotiated & agreed upon with a Power Sponsor?

Let's review the basics of an Evaluation Plan:

▪ **Objectives of an Evaluation Plan include:**

- It allows you, the seller, to control the sales process without over-controlling the buyer
- It sets up a series of mini-closes leading to a natural close
- It helps you determine if the Power Sponsor is serious about getting comfortable with you and your company
- It helps you more accurately forecast future revenue as you objectively know where you are in the sales cycle at any point in time
- It helps management better allocate precious internal resources to those opportunities that are most qualified

▪ **Where do you get the events from that you propose in the "Draft" Evaluation Plan?**

- When you ask the Power Sponsor, "How would you like to evaluate us?"
- The number of events should first be commensurate with the size of the opportunity. There do not have to be numerous events. We have seen many plans with as few as 2 or 3 events.
- In the spirit of *quid pro quo*, the seller includes some events that you want (The proof steps that you propose could be those that you have used successfully in the past, help you better understand them, and are low cost to you.)
- If the Power Sponsor says they want lots of proof steps, it may indicate that they are a "burn victim" and it is going to be very difficult for them to get comfortable with you
- The types of proof steps they ask for will help you determine if they are an "early adopter" or "pragmatic" buyer
- If they don't know what proof steps to consider, propose those that are low cost and successful. Sometimes they appreciate sound leadership in helping them through the sales (buying) process

▪ **From the Seller's perspective, what events should you propose when the "Draft" plan is sent?**

- The opportunity to speak with all key beneficiaries before you commit resources
- Individual proof steps for each member of the buying committee (likely the same as beneficiaries)
- Determine the prospect's value justification and agree upon success criteria
- Make sure legal/technical/administrative approvals (from sales prevention depts.) are understood
- Since a major reason for NDI is related to "fear of transition," make sure that events are outlined that would help get them comfortable with moving from point A to point B

▪ **What will help you better understand if the Power Sponsor is seriously considering your offerings?**

- Certainly if they make changes to the "Draft" Evaluation Plan that you send them
- Consider placing another column on the Evaluation Plan that is titled "Billable." Do you ever give events away during the sales cycle that have value, but because you do not charge for them, the prospect perceives that there is no value in what they are receiving? If you believe that the prospect will gain value from your proof step(s) (e.g. Perform detail survey of prospect's systems) even if they choose not to do business with you, then consider billing them for that event. At the very least, you have something to bargain with.
- Another column to consider is titled "Persons Responsible." If the Power Sponsor is willing to assign personal responsibility to others within their organization, it is an indication that they are serious they are about doing business with you.
- Send the "Go/No Go Step Completion" letter or email upon completion of each event in the plan. Send it to the Power Sponsor to gauge their commitment to the events and the agreed upon dates.

See attached templates for letter to a Power Sponsor & Draft Evaluation Plan

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Letter/E-Mail to Potential Power Sponsor

(Date)

(Name)

(Title)

(Prospect Company Name)

Dear (First Name),

Thank you for meeting with (Sponsor Name) and me earlier today. I believe it was time well spent for both (Prospect Company Name) and (Your Company Name). You confirmed (Pain).

We discussed the following:

- Reasons and costs associated with your (Pain)
- Capabilities you said you needed and the value you feel you could realize
- Our next steps

Reasons for (Pain)

(Reasons & costs \$)

Capabilities you said you needed

You said if you had the following capabilities, (Goal):

- (Capability 1 & value \$)
- (Capability 2 & value \$)
- (Capability 3, etc. & value \$)

You mentioned (Other titles and their resulting pains)

Our next steps

I am confident (Your Company Name) can provide these capabilities, and pleased you want to commit the resources needed to evaluate our methodology. Based on my knowledge to date, I am suggesting an evaluation plan for your further exploration of (Your Company Name) extended to include some potential implementation steps. Look it over with (Sponsor Name), and I will call you (When) to get your thoughts.

Sincerely,

(Sales Rep Name)

Attachment

cc: (Sponsor Name and Company)



Proposed Evaluation Plan

<u>Event</u>	<u>Week of</u>	<u>Go/No Go</u>	<u>Billable</u>

Approved: _____ (Your VP-Operations) _____ (Power Sponsor)

As you notice, we will stop and mutually decide to proceed __ times (at each *) in this proposed evaluation plan. Again, this my first cut. I'll call you to discuss.