

Selling Cycles & Why You Need to Know about Them

The selling profession is one where continued success is typically based on results. A salesperson's sales revenues are relatively easy to measure and document. This business function is often the most measured job in any company. There is many a salesperson that has wished and said aloud "Why can't everyone's job results be so easily publicized or effectively tracked?" ... if everyone's job was "by the numbers", like a salesperson's is, there would be much more professional accountability in the business world.

That said, a selling professional often believes their importance to their employer is only as high as his or her next sale. A salesperson needs to clearly understand the time cycles associated within their selling process steps. This ultimately allows for realistic understanding of where their sales numbers are going to come in at and particularly how much selling prospecting they must do to reach their expected sales quotas.

For the purpose of this article we will simply break the selling process into four fundamental steps: prospecting, appointment setting, presenting and closing. Let us assume completion of all four components of the selling process average 100 calendar days. This would be based on a representative number of actual prior closed selling events.

Not all steps in the selling process take the same amount of time. For this example, let us assume a relatively complex sale of a technical product with multi purchase decision makers; prospecting takes 20 days, first appointment setting takes 10 days, setting up another appoint and presenting takes another 25 days and final purchase decision making or closing takes 45 days. All four of these steps again total 100 calendar days.

Thus, the typical selling cycle is defined, 100 days from beginning to end, including all the components of same.

Why Know your Selling Cycle?

The most productive means to analyze and understand the selling cycle that is applicable to your business is from two different perspectives, the business owner or employer of the salesperson and the salesperson themselves:

From the Business Owner/ Employer Perspective:

- If you understand the selling cycle of your business you can most effectively add or subtract selling resources as required to address the cyclical nature of your business revenues
- Knowing your average selling cycle can help you determine how long you will retain a marginal salesperson. If after two selling cycles their numbers do not meet expectations, either they need more training or you hired the wrong person.

- For budgeting and cost control, knowing your selling cycle will allow you to accurately define associated costs of any one salesperson, added or deleted for any give calendar timeline.
- If you make a concerted effort to define your average selling cycle, you can effectively define alternative means, as measured, to reduce the cycle and associated costs

From the Salesperson Perspective:

- There is only so much time in a given day for execution of at least four different selling steps, within your selling cycle, applied to a specified number of potential sales prospects. Understanding your selling cycle and each of the cycle's components time requirements allows for most cost effective allocation of your time.
- If you have a specific income expectation and clearly understand what and how many selling behaviors you must complete to get to that income level, you can best determine the viability of your sales quota and ultimately that of your associated income potential.
- Asking and understanding what the average selling cycle of a company or product line is would be critical to accurately consider any new sales representation employment opportunity
- Understanding what portion of your selling day must be allocated to fundamental selling process steps versus non- selling activities is always paramount to a professional salesperson. There are non-selling activities; education, travel, paperwork and golf that must be considered.

You may have heard the sales adage, “Fill the front end of the pipe and you will make it on the back end”... well, this directly applies to understanding your selling cycle. Selling is a numbers game, not only as we have written in determination of actual job performance, but of finite percentages of closed orders to prospects approached. Like so many things in business, if you can measure it, as with selling cycles, you have a chance to improve it