

Social Enterprise Associates
Tip Sheet #14

This brief is for people in the third sector interested in improving their 'sales processes' to increase revenue and improve relationships.

The introductory guide, the first in a series, details concepts and theory on sales / marketing some useful tools.

Tip Sheet #14

Organizing Sales Prospects: Part 1 - Some Theory

Introduction

People working in non-profit organizations often get into it for the mission and service. These professionals might not think of themselves as selling products or services, like in the business world. However, many times NGO professionals are doing just that or activities that require the same skills – whether it is to funders and donors, or even partners and clients being served.

Since many NGO professionals don't come from a transactional approach to their work such as is often the case in the for profit world, they can benefit from understanding about sales and structuring their 'sales processes'.

Non-profits often sell without calling it so:

- Executive Directors convey organizational vision to the board;
- Fundraisers promote their missions to donors and foundations;
- Program coordinators encourage clients to attend programs

This Tip Sheet, as the first in a series, will share insights on key concepts, and valuable tools that allow your organization to structure its processes - ultimately, to increase success, efficiency and revenue. It begins with some theory on transactions.

Sales Theory

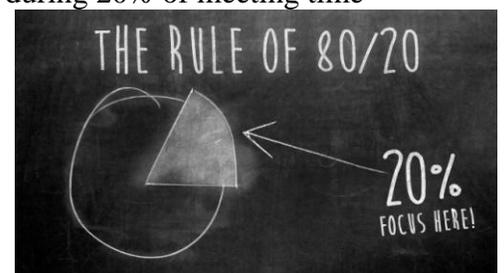
The 80/20 Rule (Pareto Principle)

In 1906, economist Vilfredo Pareto observed that 20% of Italians accounted for 80% of the country's wealth. This reflection resulted in a general principle, now applied to several areas of management.

In his book *80/20 Sales and Marketing*, Perry Marshall concludes:

- 80% of funds raised come from 20% of donors
- 80% of decisions are made during 20% of meeting time
- 80% of results from 20% of tasks

For people in the so called 'third sector' in particular, time and money are both extremely valuable resources. By identifying the right 20%, managers can concentrate their resources on the customers/donors/tasks that most matter.



Organizing Sales Prospects

This section shares some basic introductory concepts on sales and marketing. For some people, this is obvious, but for many it attempts to demystify regular processes.

Body Language

The way you deliver a message can matter as much as the message itself, particularly when making a first impression. Understanding how to read and project body language can help you:

- Avoid being perceived as just another “salesperson”
- Create an environment that puts buyers at ease
- Earn lasting trust—without saying a word
- Interpret others' body language to determine their positions
- Influence feelings and behavior of your prospects

A great resource on this topic is Bowden's *Winning Body Language for Sales Professionals*.

Selling with Passion

A core quality of a great salesperson is passion. If you don't believe in what you are selling, people can tell. But, if you are able to explain *why* you genuinely believe in this cause, your prospect is more likely to follow you. Regardless of the product, service, or mission you are backing, the first person to be convinced is yourself. Passion is particularly vital to non-profit organizations as they often ask people to give up something even more valuable than money – their time.

Transactional vs Relationship Selling

Transactional selling focuses on closing the deal quickly, often focused on price alone, with the risk of “tricking” the customer. Relationship selling, on the other hand, focuses on building a relationship for repeat sales. The relationship approach has become increasingly popular as studies show that acquiring a new customer costs up to five times more than creating a repeat customer.

A survey from the Sales Executive Council revealed relationships that are more effective than others. The most successful salespeople by far are those able to challenge the customer to new ways of viewing their needs. This is particularly relevant to NGOs. Check out the book, *The Challenger Sale*, by Dixon and Adamson.

