



Your Social Enterprise Experts

Part 2: Tipsheet #15

Introducing some of the basic terminology and jargon in business to align your mission based thinking.

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Mission Series

A series of tipsheets for people in mission-oriented organizations focused on improving their 'sales processes' to increase revenue and improve relationships.

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Organizing Sales Prospects: Some Terminology

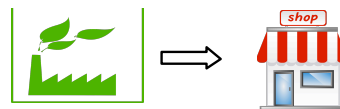
Introduction

Social Enterprise's and NGO's want to adopt a business-like approach to revenue generation. Mission-oriented organizations can benefit from effective sales processes just as profit driven companies. This tipsheet presents vocabulary used to describe the sales process.

Become familiar with the basic terminology to understand the sales processes that frequently appear in the business section of newspapers, journals, blogs— covering sales theory and techniques.

B2B — Business to Business

The term Business to Business, or B2B, is used to describe companies whose businesses



involve selling goods and services to other companies, rather than to the general public. NGO's that fall under this category might act as market intermediaries, e.g. linking supply chains of local produce, or provide affordable services to small businesses in underserved communities. For an illustrative example, check out Red Tomato (redtomato.org), a social enterprise B2B connecting produce farmers in the Northwest with local supermarkets.

B2C — Business to Consumer



Business to Consumer, or B2C, refers to companies whose customers are private individuals. This category includes both online and physical retailers, so called 'brick and mortar', as well as various service providers. Since these organizations market themselves to the general public, their brands tend to be seen and known more than their B2B counterparts. Many NGO's will fall under this category as they provide goods and services to individual persons and families.

Sales Prospect

Once a sales lead's interest has been further qualified, it becomes a sales prospect. At this stage, the organization has contacted the potential client and confirmed a solid interest in the product or service is provided. This can be a donation in the case of potential donors. It is now up to both parties to negotiate the terms, and ultimately sign a contract to close the deal. A sales prospect should not, however, be considered a done deal. It is important to stay focused and be attentive to the client's needs through the entire sell. If prospect feel neglected in any way they might take their business to a competitor instead.

Cold/Warm Calling

One of the most despised stages of the sales process, referred to as cold calling, can be described as reaching out to entirely new potential prospects. Cold calling is not for the faint of heart, as it can be a tedious and frustrating process, characterized by high levels of rejection. The classic example here is telemarketers who call and interrupt your dinner. However, with the improved access to demographic and behavioral data from tracking online traffic, cold calls are bound to become increasingly relevant, resulting in appropriate timing and higher success rates. In contrast to cold calling, warm calling is the process of approaching prospects who already have a connection to the salesperson. Warm calls are clearly preferable to the salesperson since the potential client has already proved to be positively inclined toward the organization.

Direct Selling

One popular sales method is direct selling, which involves selling through independent sales people who seek out clients rather than waiting for the potential clients to approach by themselves. This technique can often be very effective, and it allows NGO's and other mission oriented organizations to focus on their core



operations, rather than spending time and resources reaching out to potential clients. The downside is that it is less cost-effective than technology-oriented alternatives such as email blasts or social media, since direct selling require significant amounts of man-hours.

Gatekeeper



Perhaps the most underrated obstacle of the sales process is called a gatekeeper. This is a person who is responsible for keeping the decision maker from being bothered by irrelevant cold callers. The classic example of a gatekeeper is a secretary or receptionist who answers the phone and greets visitors. A salesperson can gain an invaluable advantage by creating rapport with the gatekeeper who not only has the power to turn people down, he or she is also the person who makes the introduction to the ultimate decision maker.

Elevator Pitch

The concept of an elevator pitch is simple, yet so profound. If the person next to you in the elevator asks about your organization, you should be able to briefly, ideally in 30 seconds or less, deliver a sales pitch that covers the most essential points of a proposal. The reason this is so important is not to avoid awkward silence in the elevator, but because people's attention spans are generally relatively short, and a salesperson needs to be able to spark an interest within

the first minute or so in order to gain momentum. Developing an elevator pitch is also an effective technique for organizing your sales pitch by identifying the essential selling points.

Close

The close is the final stage of the sales process. This is where customer decides to make a purchase and the actual transaction takes place. A classic concept here is the acronym ABC — "always be closing", which means a salesperson should always attempt to close the sale. The idea is that if you don't ask for the sale, the client most likely won't either. It is, however, important to remember that it is usually fruitless to sell to someone who ultimately does not want the product or service, as they will most likely end up asking for a refund.



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