

**UPDATED  
EDITION**

# **ADOPTED:**

**A STRUCTURED APPROACH TO**

# **OPPORTUNITY QUALIFICATION**

**FOR THE COMPLEX SALE**



**VALUE  
SELLING  
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## ADOPTED: A SMARTER WAY OF QUALIFYING

Top-performing sales people have too much respect for their own time to waste it on opportunities that are going nowhere - while their less effective colleagues hang on to poorly qualified deals like a desperate sailor clinging on to a sodden piece of driftwood

One of the fundamental capabilities that distinguish top sales people - and top sales organisations - from the rest is their ability to accurately qualify sales opportunities from a relatively early stage in the sales process.

Effective qualification is important in any sales environment, but it's absolutely critical in high-value complex sales situations with multiple stakeholders, where man-months of precious resource can easily be wasted pursuing opportunities that were never likely to buy anything - or if they did buy, were never likely to buy from you.

Traditional approaches to sales qualification - like the over-simple BANT (Budget, Authority, Need and Timeframe) are utterly inadequate to reflect the dynamics of today's complex sales opportunities. Fortunately, there are far better ways of dealing with the issue.

Your ultimate goal, of course, must be to identify well-qualified opportunities where your solution stands an excellent chance of being ADOPTED by your prospect if you implement a thoughtful and effective sales strategy.

The clue is in the capitalisation - because we believe that ADOPTED is a highly appropriate acronym to guide the qualification process in today's complex B2B sales environments.

**ADOPTED** stands for:

- **A**uthority
- **D**ecision Criteria
- **O**ptions
- **P**riority
- **T**iming
- **E**conomics
- **D**ecision Process

Adopting these seven factors will enable every member of your sales organisation to progressively qualify opportunities in a consistent, structured and systematic way.

Let's examine each of these elements in turn...

80% of buying decisions involve a VP at some stage, but only 10% of CRM opportunities include an engaged VP

CORPORATE VISIONS

## 1: AUTHORITY

The average strategic B2B buying decision now involves 6-8 significant stakeholders, each of whom has varying degrees of influence over the final decision. It's particularly important that you identify all of these stakeholders and assess your access to them, their role in the decision process, their influence on the decision and their attitude to us.

In addition to identifying, assessing and engaging the entire team, three stakeholder types deserve particular attention.

### POWER SPONSOR

Every successful project needs a powerful primary sponsor. They have the authority, respect, influence and political awareness to build a consensus for change and to persuade their colleagues to support their preferences.

They are usually senior business executives whose personal and departmental performance is directly impacted by the identified business issue. Their active support is critical to both the project going ahead and to the selection of the preferred solution option.

If your current primary contact is not an obvious power sponsor, the opportunity is at serious risk, and you must successfully implement a plan to identify and engage someone who is.

### FINAL APPROVER(s)

Even when there are a significant number of stakeholders involved in the decision making process, there is almost always one individual (or at most a small group of people) with the final power to approve or reject the decision.

The project cannot proceed without their consent. Have you identified and engaged them? If yes, do you know where you stand? If not, how do you plan to reach and influence them?

### GATEKEEPERS

Every significant decision involves specialist gatekeepers - often in IT, legal or procurement - who have the ability to veto any decision if it does not align with key company policies.

Have you identified and engaged with these gatekeepers? If yes, do you know where they stand? If not, how do you plan to reach and influence them?

## 2: DECISION CRITERIA

Only 40% of average sales organisations clearly understand a customer's issues before proposing a solution, compared with 89% of world class sales organisations

MILLER-HEIMAN

How much do you really know about the basis on which your potential customer is going to make their buying decision? Here are some of the factors that ought to be taken into account when qualifying sales opportunities:

### CRITERIA

What are the criteria on which the prospect's buying decision is going to be based? Do you understand both the formal and informal criteria? Do you understand the relative importance and weighting of the criteria? Are there any "must have" criteria that every offering must satisfy to stand a chance?

How confident are you that the formally declared criteria are the ones that will actually drive the decision? You need to recognise that informal, undocumented criteria often have a significant impact on the process. Do you understand how important decisions really get made in the customer? And do you understand how your prospect come up with their declared criteria?

### INFLUENCE

Have you been able to influence the prospect's decision criteria in your favour? Is there any evidence that the decision criteria might have been influenced by one of your competitors? Or do the criteria appear to offer a genuinely level playing field?

How do you assess the balance of power in the prospect's decision-making team? Are there any individuals who - although they may not be ultimate approvers, mobilisers or gatekeepers, have a higher than might be expected influence on the decision process, and where do you stand with them?

### FAVOURABLE

Taking everything into account, are the customer's decision criteria highly favourable, somewhat favourable, neutral, somewhat unfavourable or highly unfavourable? If either of the last two, how do you plan to turn things in your favour? If you can't, how can you justify continuing to pursue the opportunity?

Two thirds of deals are already lost before the formal RFP process begins

McKINSEY

### 3: OPTIONS

Your customers always have options - and sometimes those options include doing nothing and sticking with the status quo, taking a radically different approach to addressing the issue, or coming up with an internally-developed solution.

And, of course, you've always got your traditional competitors to contend with - but it's important that you don't find yourself blindsided by an unconventional alternative.

#### ALTERNATIVES

Have you identified and confirmed all the alternative options that the prospect is considering? Are you sure that you have identified both the direct (vendors like you) and indirect (other approaches to solve the problem) competition?

Indirect competition can be particularly challenging to identify and assess. Your customer might, for example, end up seriously considering a completely way of addressing the problem. And don't forget that in many situations, developing an in-house solution or not doing anything at all may be viable options.

#### SOLUTION FIT

Based on what you know of their requirements, how good a solution fit are you able to offer? Can their needs be addressed "out of the box", or do they require custom development?

And what about the competition? Is there any evidence that they may offering a superior or inferior solution fit. If the former, how do you plan to nullify their advantage. If the latter, how do you plan to exploit your advantage?

#### COMPETITIVE ENVIRONMENT

What about the overall competitive environment? Are they shortlisting a few carefully chosen alternatives, or have they invited a large number of vendors to participate?

In either case, how do you plan to stand out from the crowd? Are you clear about what sets you apart, and what unique advantages you bring? And how do you know that the prospect agrees with your assessment?

60% of apparently well-qualified deals don't get lost to the competition - they result in "no decision"

SALES BENCHMARK INDEX

## 4: PRIORITY

Your prospects will always have far more potential issues to deal with than they could possibly address with the limited resources at their disposal - whether the constraints are time, money, manpower, energy or any other finite resource.

Interesting issues might get them to investigate their options. Important issues might result in a serious evaluation. But only truly compelling issues are guaranteed to result in action.

It's vitally important that you understand where your opportunity fits on this scale.

### LEVEL OF PAIN

Is the pain that we are addressing seen by the prospect as interesting, important or critically urgent? What would be the consequences of sticking with the status quo? Who else within the organisation might be affected by the issue?

If the current level of pain is anything below critical, what could you do to increase the prospect's perceived pain? Are there currently unconsidered consequences that you could bring into consideration? And if the issue is simply interesting or important, what other factors might influence their determination to act?

### KEY INITIATIVE

Is the project you are working on associated with a key high-priority corporate initiative? If it isn't, is there anything you can do to connect your proposal to one of these must-do initiatives? If you can't make the connection, you may need to carefully reassess your other reasons for confidence that the deal will happen and that you have a realistic chance of closing the business.

### RELATIVE IMPORTANCE

Taking all of the above into account, where does this project fit into the overall priority list within the decision making unit? If it's anything other than a must-do project, how can you equip your champion(s) to argue the case that it is a project that must be funded in the current period?

If you sense that they might be tempted to delay or defer, what can you do to draw their attention to the negative consequences of any such delay?

Opportunities are at least 9 times more likely to slip than to close early - and many sales people are serial offenders

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## 5: TIMING

Timing is related to urgency, but worthy of separate consideration it's associated with a tangible and credible decision-making process that is proceeding to a clearly defined timetable. Here are some of the key considerations:

### TIMEFRAME

Is there a confirmed, well-documented and credible timetable for the decision making process? Does it realistically reflect the complexities of getting internal consensus about both the need for change and the solution to be implemented? And what about the time necessary for negotiation of a final deal?

Customers often have completely unrealistic expectations for how quickly they can conclude every element of the decision process. You can't always rely on what they say. Sales people must apply their own experience and judgement - and sales managers must push back against naïve assumptions.

### URGENCY

Is the power sponsor conveying a clear sense of urgency? Do you sense that their personal and departmental objectives could be compromised in the case of any delay? Do other members of the decision making team share the same sense of urgency?

Are things moving forward at a pace that justifies the declared decision timetable? Or do things keep slipping? If the latter you must question the prospect's true sense of urgency.

### COMPELLING EVENT

Is there a single significant compelling time-critical event - revolving around a date that cannot be moved - that will force the customer to make a decision? If not, you have to take into account the possibility that the project may slip.

Sales people can be notoriously optimistic about what constitutes a genuinely compelling event. Many so-called "compelling events" prove in retrospect to have been nothing of the sort. How confident are you that your compelling event - assuming you have one - doesn't fit into the same category?

95% of buyers require financial justification - but only 1 in 5 buyers actually ask vendors for a business case

IDC

## 6: ECONOMICS

Customers are looking for proof of value before they commit to a buying decision. But Sirius Decisions latest research suggested that the #1 sales challenge was the “inability of sales people to connect their offerings to the business issues of buyers”.

IDC reported that the vast majority of buyers require financial justification as part of their decision making process, and expect vendors to proactively provide a business case and quantify the value of proposed solutions. Economics are clearly a critical element of opportunity qualification.

### COST OF INACTION

Change carries risk - and so prospects are inclined to stick with what they have unless there are compelling reasons to change. Has your prospect acknowledged that there are critical costs and consequences associated with sticking with the status quo?

If they haven't - if the cost of inaction is relatively trivial and largely risk-free - they may be inclined to stick with their current situation, at least for the moment.

### RETURN ON INVESTMENT

This sequence is deliberate: if the costs of inaction are trivial, then the return on investment is close to irrelevant. The cost of inaction must always be established before the ROI.

Assuming that there is a clear case for change, then it becomes critically important that sales people can demonstrate a clear and credible return on investment - and that they get the prospect to acknowledge it.

### ACCESS TO FUNDS

But none of the above matters if the project can't actually be funded. Having an already budgeted project is helpful - as long as the budget isn't at risk of being hijacked by a more deserving cause.

But the more critical question - particularly when sales people are trying to create and amplify needs rather than simply respond to them - is whether funds will be made available if the business case is strong enough, who “owns” that budget, and how closely we have engaged with them.



The average large complex B2B buying decision now involves 43% more stakeholders than just three years ago

IDC

## 7: DECISION PROCESS

We've already covered the quality of the decision criteria. Now our attention needs to turn to the nature of the decision process itself, and how well placed we are to influence it.

There are three key elements to this final criteria:

### DECISION PROCESS CONFIRMED

Has the prospect confirmed their detailed decision process with us? Understanding the detail is critical - because it's all too easy for prospects to have a completely unfeasible decision process in their minds.

This can be down to optimism, or unfamiliarity with the complexities of completing a complex decision process that involves multiple stakeholders. As sales people, we can't just take what the prospect says for granted. Given our past experience, is the process credible and achievable?

### DECISION TEAM IDENTIFIED

Are we sure that we have identified all the members of the decision making team? This is another area where we can't afford to take what an apparently supportive champion tells us for granted.

Sales people need to apply their experience of the number of players (and the roles) that are typically involved in similar buying decision process. In particular, we need to be cautious that we might have missed some key gatekeepers or influencers.

### DECISION TEAM ENGAGED

Of course, it's not enough to identify the decision team - we need to have actively engaged with them. We need to be confident that we understand their issues, concerns, preferences and motivations, as well as the role they will actually play in the decision.

There's often a challenge in gaining access to all members of the decision team. If that is the case, then we may need to look for an alternative strategy - to identify a mobiliser who is capable of and motivated to make the case on our behalf.

## SUMMARISING ADOPTED ON A PAGE

Here's a simple one-page summary of the key components of ADOPTED. The first level criteria are somewhat universal across all complex high-value B2B sales environments. The secondary criteria may vary according to specific market conditions.

<b>A</b>	AUTHORITY	POWER SPONSOR ENGAGED?	Are we working directly with a power sponsor who is capable of driving the project to a successful conclusion?
		FINAL APPROVER(S) IDENTIFIED?	Do we understand who the final approver is and where they stand with regard to the project?
		GATEKEEPERS IDENTIFIED?	Have we identified all the gatekeepers - every person who could say no?
<b>D</b>	DECISION CRITERIA	DECISION CRITERIA CONFIRMED?	Do we fully understand the prospect's formal <b>and</b> informal criteria?
		DID WE INFLUENCE CRITERIA?	Have we been able to influence the prospect's decision criteria in our favour?
		DECISION CRITERIA FAVOURABLE?	Do the prospect's primary decision criteria give us a clear advantage?
<b>O</b>	OPTIONS	ALTERNATIVE OPTIONS IDENTIFIED?	Have we identified and confirmed all the options under consideration?
		COMPLETE SOLUTION FIT?	Has the prospect confirmed that we have a complete solution fit?
		COMPETITIVE ENVIRONMENT?	Does the overall competitive advantage give us a clear advantage?
<b>P</b>	PRIORITY	LEVEL OF PAIN?	Is the pain we are addressing regarded as interesting, important or critical?
		RELATED TO KEY INITIATIVE?	Is the project related to a current high-priority key corporate initiative?
		RELATIVE IMPORTANCE?	How does the project rank against other investment opportunities?
<b>T</b>	TIMING	DECISION TIMEFRAME CONFIRMED?	Has the prospect confirmed their decision timeframe - and is it credible?
		STRONG SENSE OF URGENCY?	Is the primary power sponsor conveying a strong sense of urgency?
		SPECIFIC COMPELLING EVENT?	Is there a specific compelling event that will force a decision to be made?
<b>E</b>	ECONOMICS	COST OF INACTION?	Have they acknowledged compelling costs and consequences of inaction?
		RETURN ON INVESTMENT?	Is the return on investment clear (and does it match their approval guidelines)?
		ACCESS TO FUNDS?	Is a specific and sufficient budget available for this project?
<b>D</b>	DECISION PROCESS	DECISION PROCESS CONFIRMED?	Has the prospect formally confirmed their decision process and timetable with us?
		DECISION TEAM IDENTIFIED?	Has the prospect confirmed who all the decision team members are?
		DECISION TEAM ENGAGED?	Have we managed to directly engage with and influence all the decision makers?

## **A CONTINUOUS PROCESS**

In complex and lengthy sales environments, opportunity qualification is a continuous process, not a one-off exercise. It should be obvious that not all of these factors can be assessed in a first discussion with a potential prospect.

You need to define the stage during the sales process by which each of the qualification criteria needs to have been established. Opportunities should not be allowed to progress beyond these milestones until the qualifying information has been assessed.

It should also be obvious that in complex lengthy B2B sales environments that some of the qualifying factors might change for the better or for the worse as the opportunity evolves. We strongly recommend that you require your sales people to formally reassess the key qualifying factors before advancing from one sales process stage to the next.

### **ADDITIONAL QUALIFIERS**

Although the evidence is that most or all of the ADOPTED criteria are central to the accurate qualification of most complex sales opportunities, you may well have additional qualification factors that are specific to your sales environment - in which case you should add them to your qualification process.

### **BACKED BY EVIDENCE, NOT INTUITION**

Opportunity qualification judgements must be based on fact, not supposition. It's all too easy for salespeople to assume that a situation is positive simply because they have no evidence to the contrary. In fact, fear of hearing the "wrong" answer can often mean that the right question isn't asked in the first place.

These untested assumptions compromise the integrity of your sales pipeline. You need to insist that salespeople are able to provide the evidence to back their assessments - otherwise qualification can become a "tick box" exercise that is completed at speed and without the necessary rigour.

### **IMPACT ON PIPELINE**

Be aware that when you first apply this discipline to qualifying your existing sales pipeline, the value of the pipeline will appear to shrink (sometimes dramatically) - but it's only because many of the deals you had been relying on turn out to be less likely than your sales people had hoped.

## PUTTING THESE PRINCIPLES INTO PRACTICE

The 7 high-level elements of ADOPTED are - in our experience at least - consistently relevant in most if not all complex B2B sales environments.

But, of course, the detailed components - and the questions you need our sales people to ask in order to assess them - may well be somewhat unique to your environment.

We suggest you use ADOPTED as a framework and develop specific qualifying questions that have strong predictive power in your typical sales situations.

### A FIVE POINT SCALE

Once you have determined how the more detailed aspects of ADOPTED might apply in your environment, we suggest that you apply a 5-point scale to each of the components, as follows:

- 5:** Strongly favourable
- 4:** Somewhat favourable
- 3:** Neutral
- 2:** Somewhat unfavourable
- 1:** Strongly Unfavourable

Adding each component score results in an aggregate opportunity quality rating. Experience may tell you that certain factors may have a higher predictive value than others - in which case a (very simple) weighting factor could be applied.

You should establish 3 scoring bands: a high band where an opportunity is obviously well qualified, a low band where an opportunity should clearly be disqualified, and a mid band where each opportunity should be carefully reviewed. In the case of this middle band, an opportunity-specific action plan is often necessary to gather better information about the potential before making a final determination.

### A CONSISTENT APPROACH

Once you have established the guidelines, you need to make it clear that sales people are expected to apply these principles consistently to every open opportunity.

You need to clearly signal that your assessment of their qualifying and forecasting capabilities will be based on achievement rather than enthusiasm.

## **ADOPTING A SMARTER APPROACH TO SALES OPPORTUNITY QUALIFICATION**

We hope we've persuaded you that there is a compelling case for adopting a consistent approach to sales opportunity qualification and that the ADOPTED framework has real relevance in your own environment.

If so, the next step should be to fine tune the elements to reflect your environment and to embed the resulting criteria and checklists into your CRM, pipeline management and forecasting systems.

These initiatives are usually far more effective if they are externally facilitated. It's a process we are very familiar with - if you'd like to learn more about how we might be able to help, please get in touch using the contact details below.

### **ABOUT INFLEXION-POINT**

Inflexion-Point's ground-breaking Value Selling System® is a strategic framework that enables forward-thinking B2B sales and marketing organisations to systematically create and capture mutually meaningful value in every customer interaction.

We help our clients to master transformative change in their sales strategy - such as evolving from a product-centric to a solution-focused sales approach, or coping with the challenges of rapid expansion of their sales headcount or partner network.

Our thoughtful and systematic approach - reflecting the latest cutting-edge research into B2B buying processes and behaviours - is enabling our clients to outperform their less progressive competitors and win the battle to engage, acquire and retain the most attractive customers.

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