

A Basic Guide To Buyer Types & Qualification For Sub 100 Employee Companies

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These types of businesses are classified as VSB (very small businesses) and how they buy products and services differs quite significantly from larger enterprises.

Decision making in these companies tends to be more straightforward as there is less hierarchy and getting to the CEO is often a lot easier. Typically the sales cycle for these types of companies is faster.

This short guide looks at how to effectively manage inbound leads for these types of organisations and can be used as a time saving checklist focusing on buyer types and how to sell effectively and efficiently.

Buyer Types:

As a general rule buyers can be classified into 4 categories and it is extremely important to assess who your buyer is from the start. This all boils down to time management and ensuring you are allocating your time and focus where the money is.

1 - Window Shopper: They have no real intention of buying anything and in fact aren't even sure what they want/need. You can imagine this buyer as a person who heads to the highstreet. They have money, but no genuine need or even want to actually make a purchase. They may wander into a shop, browse or even possibly engage with a salesperson, but their intent is not there.

2 - Shopping: Has a slightly clearer idea of what they want but their need is vague and not fully defined yet. If we go back to our highstreet example this buyer wants something, it could be a pair of shoes, jeans, a sweater or anything really, but they just aren't sure which is the priority if it even is a priority. This buyer will be more engaging, but indecisive as they cannot prioritise.

3 - Researched: This type of buyer has a defined need and is actively on the market for a product/service/solution. They will have looked at a number of vendors and created a list of those to contact. This is someone who goes to the highstreet with purpose and intent. This type of sale will require a consultative approach and close engagement.

4 - Decided: These buyers are ready to purchase and are extremely rare. These will have carried out their research and be very well informed. They typically do not need or want a sales pitch, they just want to complete their purchase.

These types of sales will be transactional in their nature, however value can be maximised. On the highstreet, this is someone who not only knows what they want but which store they are going to purchase from. They are ready to spend and so the chances that they spend more are high. When you get this type of buyer it is wise to control the speed of the sale to ensure they are getting/buying everything they need.

Identifying who your buyer is critical to understanding exactly where they are in their buying cycle and how ready they are to commit. The next section provides a checklist on how to do this efficiently.

Steps to Identifying Your Buyer

Investigation:

1 - Check their LinkedIn, this is always a first step. How many employees do they have? Is it just them? Does their business have a LinkedIn profile? Linking back to our buyer types you will quickly understand what buyer type they are from this initial step.

2 - Do they have a website? Many aspiring entrepreneurs jump the gun by attempting to research and engage vendors ahead of anything i.e. Before they have actually started-up. These come loaded with millions of questions and will, if allowed, use up a huge amount of your sales staff's time. In short no website = no business = no problems to solve.

3 - As a final check it is advisable to Google them to gather any additional information or to fully qualify them out as a prospective lead.

Leads that you see are in Buyer Types 2 to 4 should be engaged by phone first and then email with a view to getting a call booked. Buyer types 2 whilst they aren't close to committing have more awareness that something needs to change so should be qualified with a view to nurturing.

Qualification:

1 - Assess the Why now? What has them looking at your product/service/solution? What is the reason and more importantly what is the problem they are trying to resolve?

2 - Next you want to understand their buying motive or what is compelling them to speak with you. If they already have a solution in place is it a question of price i.e. are they looking to get a better price off their current vendor? What other vendors are they looking at? What is their ideal outcome?

3 - Once the above has been established, move on to the BANT criteria. Do they have a budget allocated (not what their budget is)? If not, that is a red light. Does the person you are speaking with have the authority to sign or are there other stakeholders? Finally and key; What is their timeframe and what is driving that timeframe?

4 - Next Steps must be agreed to ensure continuity in the sale. Always agree to a plan of action – What they need to do and What you need to do before the next call. Deals with no next steps will fizzle out and lose traction.

Red Lights:

1 - No budget - It is important to understand that buyers will often speak with multiple vendors with the goal of getting a price. These prices will eventually form the basis for a budget. It is important though to get an idea of what they believe "this" will cost, perhaps even throw out a number to see how they react. You do not want to go through the full sales cycle to find out you never stood a chance.

2 - Authority - Sometimes the person you are speaking with is looking for a solution without having been asked to do so. Other times you may have a middleman eg: agency or consultant. None of these will be able to decide and therefore buy. Make sure to confirm that it is indeed the decision maker that has instructed your lead to initiate these conversations.

3 - Need - Sometimes a lead may be unclear on what their problem is or may just be looking at the wrong solution. In this case one should ask a series of questions to qualify the lead out. If however they are insistent then push back and ask for a detailed requirements document. It is about saving time and offering direction to a misguided lead.

4 - Timeframe - When asking for a timeframe, answers such as ASAP, Yesterday, Immediately, Urgently are all red lights. Those are not timeframes. This is where experience is needed to drill down into what is defining their timeframe, what is driving that timeframe and most importantly how long does it take them to decide on buying something? Beware of catching "Happy Ears" and believing you are going to close a fast one!

The sales cycle for sub 100 employee companies is usually much faster and tends to come in higher volumes i.e. there will be more VSB leads than there will be Large Organisations. Identifying buyer type is key to maximising time efficiency and creating a tangible pipeline of deals/opportunities which will have a much higher likelihood of converting.

