



## Diamonds in the Rough

by Rick Davis

**W**hat can the diamond trade teach us about lead management? More than you might think. The distribution and sale of these precious gems exemplifies the importance of having a systematic approach to qualify and grade your assets and, in turn, maximize their worth. By looking at the prospects in your territory as “assets,” or diamonds in the rough, you can develop a similar approach that will help you to measure the value of current and potential business and dramatically improve your time- and territory-management skills.

The De Beers Group, based in South Africa, has a tightly controlled monopoly on the world’s diamond resources. Its grip on the distribution network is so powerful that international distributors must wire millions of dollars prior to the shipment of an order to buy the stones. There is no negotiation or product selection for the customer, but instead a simple transaction in which the customer invests millions of dollars solely for a box of rocks sight unseen. The success of the distributors is therefore contingent on their ability to classify — using the “four Cs” of cut, color, clarity and carat — and resell the jewels for a maximum yield in order to achieve a satisfactory return on their investments.

A diamond distributor begins the process by establishing subjective measures of quality that individually rate each gem in their inventory. The distributors know that their ability to maximize ROI will require them to sell the highest quality diamonds at the highest prices, gems of secondary quality at secondary prices, and so on. Imagine if a distributor simply put all of the diamonds up for sale at the same price with no regard for their different properties. Naturally, this would completely destroy the diamond profit model in a hurry.

The scenario is no different for salespeople who operate in the roofing and building materials supply industry. A salesperson’s “box of resources” is his territory, prospects and customers are the gems, and time is the financial resource that must be allocated. A salesperson who ignores valuable prospects or improperly allocates time with second-rate customers is committing the same mistake a jewel distributor would make if he were to improperly evaluate or, worse yet, disregard the quality of gems in inventory when pricing them for resale.

All businesses opportunities are not created equal; without a useful list of criteria to rate prospects and customers, a salesperson runs the costly risk of misallocating the most valuable



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resource available — time. Like the diamond industry has its four Cs, there are characteristics that determine the value of a prospect, including purchasing volume, long-term potential, sales timing, profit margins, timely payment, and the cost of doing business.

For example, a Sales Leader, given the choice of a slow-paying, low-margin customer that requires high levels of service versus a high-margin prospect with long-term potential, wisely trusts his rating system and allocates his time so that the most profitable prospect can be pursued. The factors that go into evaluating the worth of a customer or prospect are not as nebulous as you might think. It may not be an exact science, but a systematic approach enables you to make better use of your time in the field.

Exact science or not, identifying some of the characteristics you seek in your ideal clients will help dramatically improve your vision and time management. For instance, a condominium association that will purchase a large commercial reroof on a one-time basis may not be as valuable as a loyal customer that will purchase 10 house packages of materials annually over the next 15 years. Most salespeople would rather have a loyal customer than a large one-time sale. So, in this case, loyalty and long-term potential are the measurable characteristics that make the 15-year client worth more.

## Polishing Your Performance

**Step 1: Create a vision.** Strengthen your vision by identifying the criteria you desire in a perfect prospect such as those that I described above. The type of customers you seek may differ as a result of market factors, company capabilities or personal preferences. Some business strive to work with small and medium size accounts that provide good margins and created more stability in overall sales volume than bigger, high-maintenance accounts. Other salespeople prefer to work with larger-volume customers and build a service-oriented, maintenance relationship. After you have identified the criteria of the “perfect” customer, you are ready to go to work.

**Step 2: Prepare.** Just as a stage is set behind the curtain before a play begins, success in the field begins behind the scenes. Set up database and filing systems that enables you to sort leads, prospects and customers in an organized manner.

Thus, when you are ready to prospect, you can quickly access your lead lists. When you are in the field working with clients and have time to spare, you can access your prospect and customer lists to quickly generate cold calls to fill in the time between appointments.

Great Sales Leaders minimize travel times while maximizing time spent in front of customers and prospects by investing the time — visit that “one extra” prospect or customer while in a geographic area instead of making long drives that create wasted efforts. A ready-made list of prospects — with phone numbers, addresses, and important notes — will assist you in this quest.

**Step 3: Take action.** Proactively examine the box of resources — i.e., the territory. For many people, prospecting is a secondary priority. But great Sales Leaders proactively set time aside to devote to prospecting activities such as phone calls, examination of target lists, involvement in local associations, and other methods.


Become a Sales Leader by scheduling prospecting time before you schedule all of your other weekly activities. It is not merely a “fill-in” activity.

## Tap Into Opportunities

While you may find success by accidentally stumbling onto opportunities while busy in the field, you will feel more gratified if you can do it on purpose. Your territory is filled with diamonds in the rough. To uncover them you need to proactively qualify and grade your prospects. Take time to examine all the potential, untapped jewels of opportunity and watch your profitability soar. **R**

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