

B2B

Business 2 Business. B2B is a term that describes the transactional relationship between provider and client where the provider is a business, and the client is another business

B2C

Business 2 Consumer. B2C is a term describes the transactional relationship between provider and client where the provider is a business, and the client is an individual consumer.

Benefit

The value of a product or service that a consumer of that product or service experiences. Benefits are distinct from features, and sales reps should sell based on benefits that are supported by features.

Buying Process/Cycle

The process potential buyers go through before deciding whether to make a purchase. Although it's been broken it down into many sub-stages to align with different business models, it can universally be boiled down to these three lifecycle stages:

1. **Awareness:** Leads have either become aware of your product or service, or they have become aware that they have a need that must be fulfilled.
2. **Evaluation:** Leads are aware that your product or service could fulfill their need, and they are trying to determine whether you are the best fit.
3. **Purchase:** Leads are ready to make a purchase.

Buying Signal

A communication from a prospect indicating they are ready to make a purchase, either verbal or non-verbal.

Closing Ratio

The percentage of prospects that a sales rep successfully close-wins. This ratio is usually used to assess individual sales reps on their short-term performance, but it can also be used to evaluate profits, forecast sales, and so on. Improving a closing ratio usually requires efforts to bring better-qualified leads into the funnel.

Cold Calling

Making unsolicited calls in an attempt to sell products or services.

Commission

The payment a sales rep gets when they successfully sell something; usually a percentage of sales revenue.

Consumer

A person who uses a product or service. They may not be the actual buyer of that product.

Cross-Selling

When a sales rep has more than one type of product to offer consumers that could be beneficial, and s/he successfully sells a consumer more than one item either at the time of purchase or later on. An example is when Apple sells you an iPhone and then successfully sells you an Apple iPhone case or a pair of Apple headphones. In this case, a sales rep identifies a need the customer has, and fulfills that need by recommending an additional product.

Customer Acquisition Cost (CAC)

This is your total Sales and Marketing cost. To calculate, follow these steps for a given time period (month, quarter, or year):

1. Add up program or advertising spend + salaries + commissions + bonuses + overhead.

2. Divide by the number of new customers in that time period.

Customer Relationship Management (CRM)

Software that let companies keep track of everything they do with their existing and potential customers. At the simplest level, CRM software lets you keep track of all the contact information for these customers. But CRM systems can do lots of other things, too, like track email, phone calls, faxes, and deals; send personalized emails; schedule appointments; and log every instance of customer service and support. Some systems also incorporate feeds from social media such as Facebook, Twitter, LinkedIn, and others. The goal is to create a system in which sales reps have a lot of information at their fingertips and can quickly pull up everything about a prospect or existing customer.

Decision-Maker

The person who, or role that, makes the final decision of a sale. They are often "guarded" by a gatekeeper.

Discovery Call

The first call a sales rep makes to a prospect, with the goal of asking them questions and qualifying them for the next step.

Feature

A function of a product that can solve for a potential buyer's need or pain point; usually a distinguishing characteristic that helps boost appeal.

Forecasting

Estimating future sales performance for a forecast period based on historical data. Forecasted performance can vary widely from actual sales results, but helps sales reps plan their upcoming days, weeks, and months, and helps high-level employees set standards for expenses, profit, and growth.

Gatekeeper

A person who, or role that, enables or prevents information from getting to another person(s) in a company.

Lead

A person or company who's shown interest in a product or service in some way, shape, or form. Perhaps they filled out a form, subscribed to a blog, or shared their contact information.

Lead Qualification

The process of determining whether a potential buyer has certain characteristics that qualify him or her as a lead. These characteristics could be budget, authority, timeline, and so on.

Mark-Up

The amount added to the cost price of goods to cover overhead and profit.

Objection

A prospect's challenge to or rejection of a product or service's benefits, and a natural part of the sales process. Common objections often have to do with budget, authority, need, and timing.

Opportunity

Though every company has different processes for defining what criteria make someone an opportunity, it's basically when a qualified lead is being worked by Sales.

Pain Point

A prospect's pain point, or need, is the most important thing for a sales rep to identify in the selling process. Without knowing a prospect's pain points, they can't possibly offer benefits to help resolve those pain points.

Pipeline

The step-by-step process sales reps go through to convert a prospect into a customer. The sales pipeline is often divided into stages for each step in the sales process, and the sales rep is responsible for moving opportunities through the stages.

Positioning Statement

Statements and questions that sales reps use when opening a sales call to engage the prospect in conversation around their pain points. Many sales reps are trained to start off every sales call with these statements.

Profit Margin

A ratio of profitability that measures how much money a company actually keeps in earnings. It's calculated either as a) net income divided by revenues, or b) net profits divided by sales.

Prospecting

The process of searching for and finding potential buyers. Sales reps seek out qualified prospects and move them through the sales cycle.

Qualified Lead

A contact that opted in to receive communication from your company, became educated about your product or service, and is interested in learning more.

Quota

A sales goal; a set amount of selling a sales rep is expect to meet over a given time frame, usually a month and/or quarter. It's very, very common for sales reps to have quotas, also the form they take can vary from company to company and from role to role.

Social Selling

When sales reps use social media to interact directly with their prospects. They provide value by answering prospects' questions and offering thoughtful content until the prospect is ready to buy.

Stage

Parts of the sales pipeline representing each step in the sales process. It's the sales rep's responsibility for moving opportunities from stage to stage. Different companies define their sales stages differently, but each one has behind it a set of requirements that need to be completed in order for an opportunity to move from one stage to the next.

Up-Selling

When a sales rep sells an existing customer a higher-end version of the product that customer originally bought.

Value Proposition

"Value prop" for short. A benefit of a product or company intended to make it more attractive to potential buyers and differentiates it from competitors.