2 Sources of Business

This chapter covers:

- The leads database
- Clients already known to the venue
- Sources of new leads
- Leads qualification
- The relationship between venue sales and venue marketing

The leads database

A lead is a person, business, or organization that is potentially interested in the products or services that a business offers.

New sales leads are the lifeblood of most businesses. Collecting business leads, qualifying them and then following them up with the aim of converting them into paying customers is an ongoing and essential task for any company aiming to find new customers. It is a task that requires skill, money, and that most precious of business assets, time. Figure 2.1 shows the process in the form of a diagram, as the Purchase Funnel (also called the Sales Funnel, or Decision Funnel) which is a framework that illustrates the diminishing number of potential customers that get through each subsequent stage of the process.

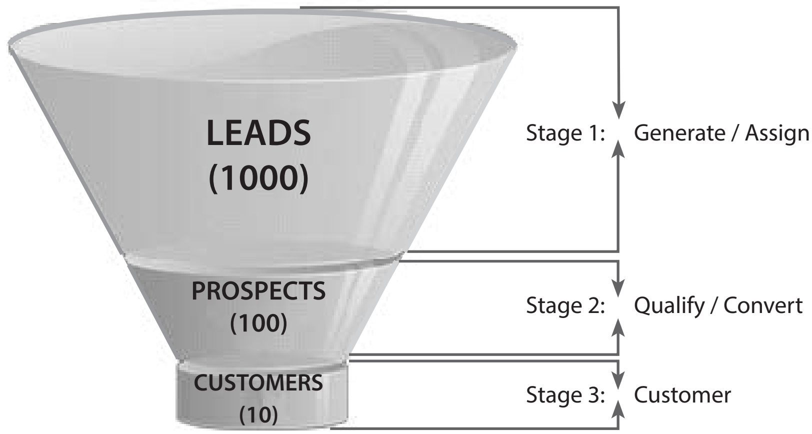

Figure 2.1: The Purchase Funnel

The process begins by generating business leads (Stage 1) – actively collecting details of potential customers and recording them, organizing them and storing them in an electronic database in such a way that they can be used in order to manage the leads as part of the sales and marketing process. The essential elements to be recorded include each lead's:

- Name
- Title
- Name of their company or organisation
- Telephone number
- Email address
- What it is that qualifies the individual or company as a lead.

However, these are only the most basic details required for each lead, and more comprehensive information on each lead should be recorded, if known. This might include the number and type of events that they organise and the frequency of those events, as well as the market segment they represent (corporate, association, government, and so on). In fact any additional information available about the lead that is relevant and that could prove to be useful in converting them into paying customers should be recorded. This might extend to personal information such as the fact that the lead enjoys playing golf or even their birthday or their children's names. All such information can be useful in building a relationship with the lead.

An extensive and up-to-date database composed of the details of large numbers of business leads is a significant asset for most venues and an invaluable resource for its salespeople. It is also a resource that needs to be not only created but managed: ‘cleaned’ from time to time, to eliminate obsolete leads or to update their details. This form of database management can be a time-consuming activity, and for that reason, venues sometimes employ a researcher or an intern to work on this aspect of sales. But whether managed by a member of the venue staff or by someone recruited specifically for that purpose, it is clear that a key step in the venue sales process is that of creating and managing a leads database in an effective, operational manner.

This chapter begins by examining the many ways in which leads can be generated and collected by sales staff, to be added to the venue’s database. There follows a consideration of the process of qualifying these leads (Stage 2 in Figure 2.1). Chapter 3 begins by analyzing how the Account Management process can be used in order to turn qualified leads into customers of the venue (Stage 3 in Figure 2.1).

Clients already known to the venue

Before exploring the various sources of new leads for venues, it is worth considering those people who have already been in contact with the venue, and whose potential to generate business is often overlooked.

A crucial discussion between any venue and their client is that which is held during the follow-up meeting that takes place just after the client’s event, for the purpose of reviewing how the event was handled by the venue. In order to be most effective, these meetings should encourage a 2-way exchange of views, with the venue giving feedback to their client, as well as soliciting their opinions on the venue’s performance. This means that the venue manager needs firstly to consult other staff within the venue (for example, Food & Beverage, Security and Reception) to get their perspectives on how the event was run. If there were any problems, they will be already known to the venue manager if he or she has been in contact with the client throughout the day of their event. (Even if it is not their role to actually run the event, its good practice for the venue manager to at least see their client at some point or points throughout the day to check on how their event is going). If any problems have arisen, the end-of-day follow-up meeting provides an opportunity for both sides to propose solutions.

But the value of these meetings goes beyond their significance as sources of useful feedback for both venue and client. This is also the best moment for the venue to ask satisfied clients:

- to provide them with testimonials, written or filmed, which can – with the client's permission – be posted on the venue's website and used in other marketing materials.
- what other business the client may have to place in the future, and to agree when the venue may get in touch with the client to discuss that.
- for referrals. Will they provide the contact details of anyone else they know who plans events, either in other departments or branches in their own organisation or in other organisations altogether? This is the beginning of the account management process.

Former clients

While it is gratifying to win business from clients who have not already booked an event with the venue, a potential source of business that is often overlooked are former clients – clients who stopped making bookings after one experience of using the venue and those once-regular customers who ceased holding their events there.

Effective account management includes firstly investigating the reasons that explain why such clients discontinued their use of the venue and secondly attempting to rekindle their interest. There may be many reasons for them not coming back:

- the client had a disappointing experience of using the venue
- there was a change of personnel and the person who used to happily book the venue has been replaced by someone who is unaware of it
- the client's company or organisation relocated in another part of the country