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By Mark McNally

In working with business owners as a profitability enhancement coach, one of the most powerful exchanges is in the discussion of sales opportunities: those that should occur and those that should not occur.

Most owners are savvy when it comes to identifying the characteristics of a desirable opportunity. But what about those that alert you to a situation you should avoid? Then the going gets a little sticky. There are few entrepreneurs who have filters set to ensure that warning lights are triggered and followed.

So how do you create a warning system?

First, fully identify the characteristics of a great opportunity. This isn't all that difficult. A business owner should review the best five of all their sales experiences and perform a review. Questions to ask include: Why was this such a great sale? How did this sale occur? What was the profit on this sale? What was the timetable on this sale? What was your level of professional fulfillment on this sale?

Note that these sales may have occurred over a period of years so you may need to pull a few files. Also while some of the legwork can be done by others, it's the owner's perception that counts so don't delegate the entire exercise. What you are looking for are areas of overlap.

When I perform this review with a client we always find that there are common traits. It very well involves the profitability of the sale but also usually touches upon other nonmeasurable criteria, including gratitude, referrals or a sense of professional pride. In other words, the top five accounts/sales that many of us have had inevitably involve something other than dollars. And what you are trying to do is to replicate the process so as to have only those types of experiences. Sounds simple enough but again there are few folks who have done this and have any idea of what they are trying to target.

So we know what we're trying to attract. But what of those "opportunities" we'd like to avoid? We've all had experiences we'd love to purge from our memory. You know the kind. You can't possibly do enough to satisfy the account, your pricing is too high, their demands are excessive, they take forever to pay, and they seem to go out of their way to say disparaging things about you or your company.

We can't rewrite history but we can certainly learn from it. Again, take the five worst experiences and pull them apart. How did you get involved? What made this such a terrible mess? When did you notice things starting to unravel? What was the financial impact? Who were the principals?

What you are trying to do is learn from your worst experiences. It's not enough to ask what you would do over but rather what you would do to avoid the situation, period. Sometimes the best sale is no sale. Going through this exercise can help you observe early on the warning bells and lights. Then when the bells start ringing and lights blinking, you can take prompt and evasive action. Remember that time saved from worthless exchanges is time available for promising opportunities.

This isn't an exercise I recommend performing during the work day. Instead, set aside time at the end of a day, grab a beer or a glass of wine and sit down with a yellow legal pad and some sharp pencils. Give yourself some uninterrupted time - say an hour or so - and really study your experiences.

There is nothing to prevent you from using this technique in other areas of your life as well. But for those of you in business it might very well prove to be the most important 60 minutes of time spent to help avoid "poor fit opportunities" in the future.

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