

Lead, Prospect, Opportunity, Customer

Sales keep your business going. Sales keep your business growing. Without sales, your business is gone. Because sales are so important to your business, to any business really, it makes good sense to understand the entire sales process from start to finish. You wouldn't begin to cook a meal without a thorough understanding of the recipes you were using. You wouldn't go golfing without a thorough understanding of the rules of the game and how to swing a club. You wouldn't jump into the deep end of a swimming pool without knowing how to swim. So, why would you run a business without knowing everything there is to know about the sales process?

A good place to begin learning how sales are made is with the terminology of lead generation. Good leads are essential to healthy sales. Therefore knowing the difference between a lead and a prospect or an opportunity and a customer is vital.

In general, a lead is any person with a potential interest in your business and what you have to sell. Leads come in all forms. For a brick and mortar business, leads could be anyone who lives within a certain geographic distance from where your store is located. For an online business, a lead could be anyone within a certain delineated demographic. If they might like or need what you sell, then they are a lead.

A prospect, in general, is any person with an active interest in your business and what you have to sell. Leads turn into prospects when they express this interest. In a brick and mortar business they might do this by browsing in your store and asking questions. For an online business, they might leave a comment on your blog or ask for further information on your products and/or services. The important thing to remember is that prospects are leads who have communicated.

An opportunity is a situation where you have a chance to turn a prospect into a customer by making a sale. This can occur any time after a lead has become a prospect. In a brick and mortar business, this might happen when a salesperson

helps a prospect find a product or when they give the prospect information on a service. For an online business, it might occur when a prospect is given an offer to purchase a product or service. It is important to remember that opportunities to convert prospects into customers can happen again and again with the same prospect.